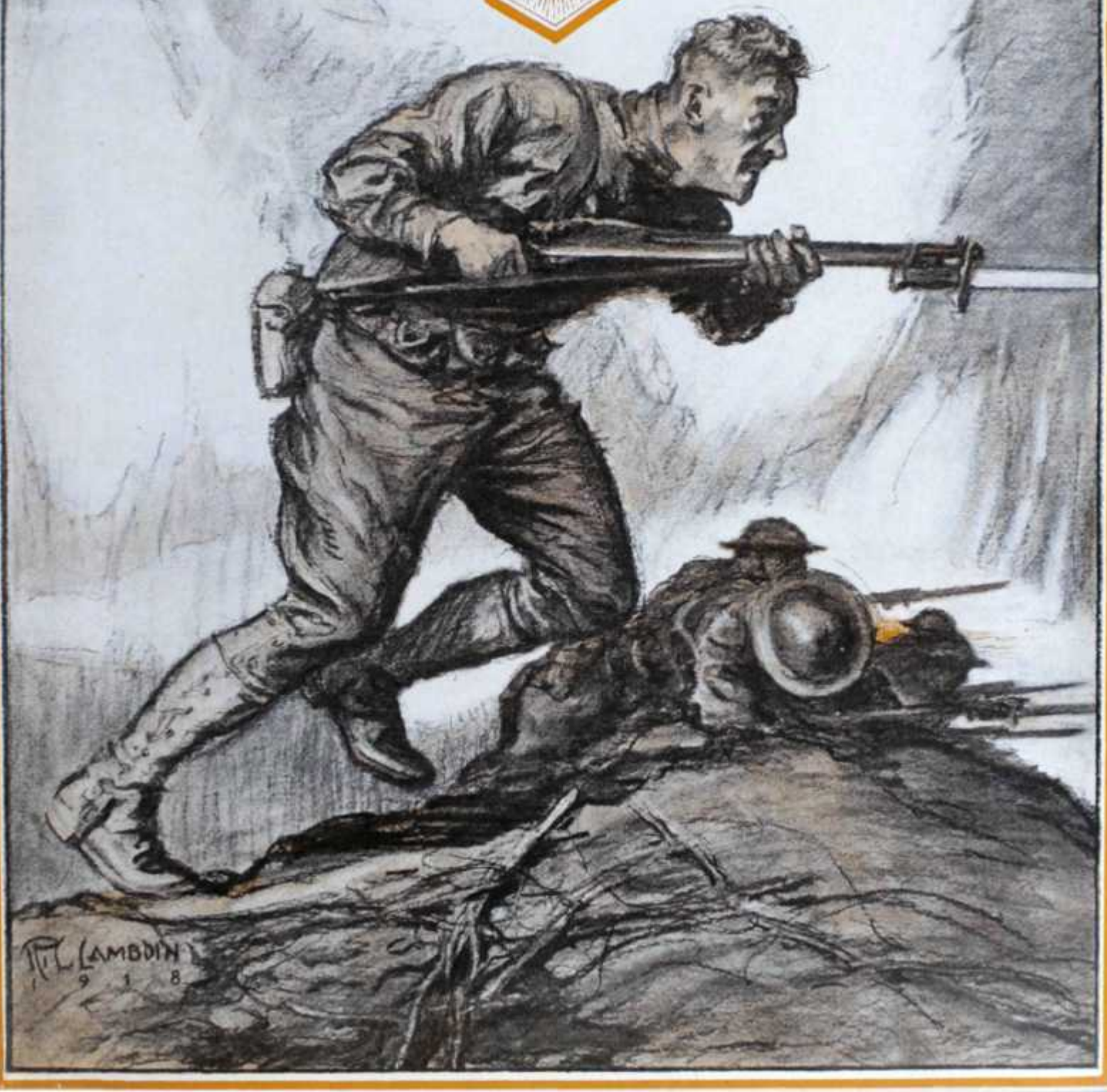
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THE NATION'S BUSINESS



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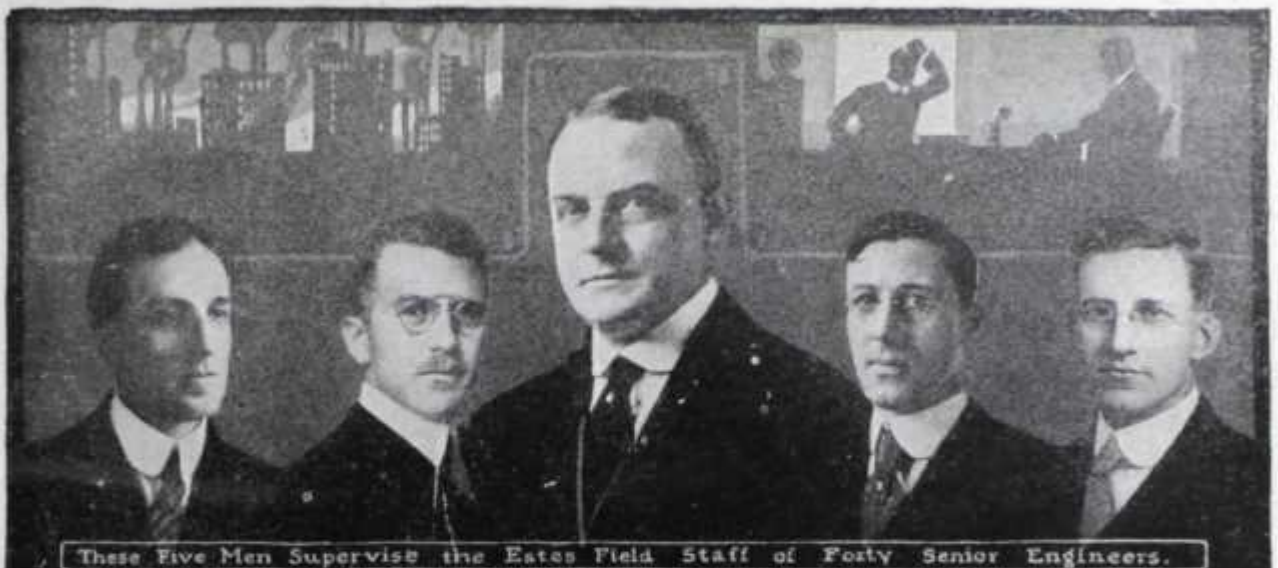
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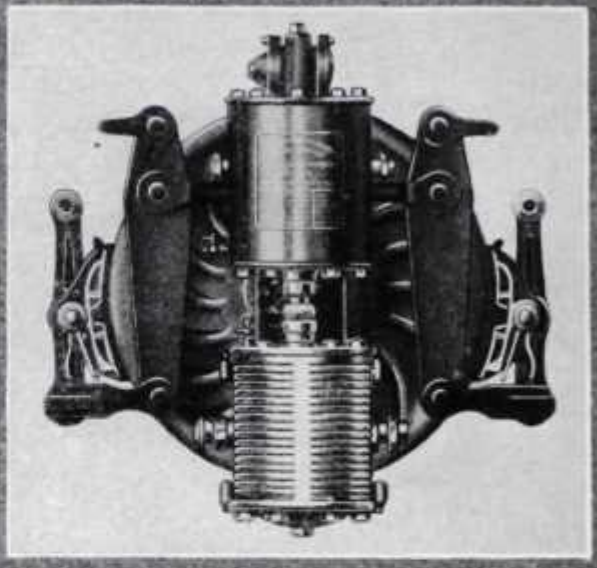
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OUR NEW WORLD TRADE By James B. Morrow Page 7

INTELLIGENCE will win the war; don't conserve it. This is the law of the prophets of the New Order. In an old dance hall in Washington forty scientists are making new records for usefulness. We might well have called Mr. Morrow's article, "Enter: The Age of the Professor."

CROPS AND BUSINESS By Archer Wall Douglas Page 11

"HOW'S CROPS?" is no longer merely a rustic salutation of the cross-roads. Our whole country, the whole gasping world, asks it today. Telegraphically speaking, Mr. Douglas daily surveys the corn and wheat belts, the industrial areas of the country. Here is his monthly communique.

NEW WAR TAXES IN THE MAKING Page 12

FROM the committee room "on the hill" and the Treasury across the street have come these highly significant hints as to how the new sacrifice is being distributed.

TAX POLICY OF THE TREASURY By William G. McAdoo Page 13

PRESENTED here is the gist of the remarks of Secretary McAdoo before the Ways and Means Committee of the House on August 14th.

INDUSTRIAL CONDITIONS IN GERMANY By Victor S. Clark Page 14

HAD you supposed that in this country we really didn't know the business facts about Germany? So did we. But Mr. Clark knows. He knows because—well, that had perhaps better be kept a secret. He gives important facts about Germany.

UNITED STATES EMPLOYMENT SERVICE By William B. Wilson Page 15

ON August first, when the United States Employment Service extended its control over all unskilled labor, the depth of the American Army was made to reach from No Man's Land to San Francisco. Our "labor army" is now a fact. The Secretary of Labor has interpreted it for you.

A FOREIGN TRADE ROMANCE By Mabel H. Wharton Page 17

SHIPPING By Edward N. Hurley Page 18

ON the seas once more! The physical bonds between us and the rest of the transfigured world-to-be will be ships. If, like us, you have a clipping file on "Ships: Fundamental Facts," you'll want to add this—after carefully reading it. Our world is changing. Here is a flash of the age to be.

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WHEN THEY COME HOME By Franklin K. Lane Page 22

THE Soldier's Home! In the past that phrase has too often meant an asylum, charity, the terrible ennui of idleness. Secretary of the Interior Lane wishes to give Pershing's Crusaders, when they return, a new kind of home. He makes here an eloquent plea for land for them.

BOOKS FOR THE INVESTOR By John Cotton Dana Page 24

FREIGHT BY TROLLEY By A. Bellemain Cole Page 25

STEAM is strong; gasoline is adaptable; but electricity is a sort of missing link in American transportation. The article narrates how our electric railways could be made to haul millions of tons of additional freight.

THE NATION'S BUSINESS

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MERLE THORPE, *Editor*

As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber, its Board of Directors and Committees. But in all other respects, the Chamber is not responsible for the contents of the articles or for the opinions to which expression is given.

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THE NATION'S BUSINESS
A Magazine for Business Men
Published by the Chamber of Commerce of the United States

VOLUME 6, NUMBER 9 WASHINGTON, SEPTEMBER, 1918

They're Playing War Chess Upon the Seven Seas, These Unsung Professors; the World's Ships Are Their Knights, Rooks and Pawns; Their Strategy, Cool and Calculating Science; the Outcome—

A CHECKMATE FOR THE KAISER

By JAMES B. MORROW

A COMPANY of unseen and silent Americans are helping to clear the barred road to Berlin and Potsdam. The riveting of ship bolts and the other harsh noises of war neither inspire nor disturb them as they toil over tables and curves and marshal the stern trade facts of the world. They above all others, are the players, bending, absorbed over today's transcendent chess game of the sea.

In them, it might be said, was the beginning of all things—the movement of troops through the packs of water-wolves that lurk in the Atlantic, the arming and the maintaining of the troops when they reach the arena of battle, and the feeding, besides, of many millions of people. They have visioned the earth and all of its inhabitants and labored vigorously and unwearied to destroy the monster born of and sent amuck by Prussia, the harlot of Germany.

This company of war workers is part of the Shipping Board. On the Board's organization charts they are called the Division of Planning and Statistics. Their duties come under two main heads: ship distributing, or "broking," as one of them called it, and allocating cargo space. In the performance of these tasks it cooperates with other divisions of the Shipping Board. Ships are distributed in conjunction with the Ship Control Committee, and for chartered ships with the assistance of the Chartering Committee. In all its commercial operations a definite relation is had also with the War Trade Board.

THE world-wide shipping interests of the allied countries center in the Allied Maritime Transport Council. Cooperating with the council on this side of the Atlantic is the Shipping Board of the United States. One of the chief duties of the Shipping Board is to operate and distribute all tonnage subject to its control. Its Ship Control Committee, composed of three men, thus suddenly found themselves in control of the second largest merchant fleet the world has ever seen. Wherefore this committee found that it had to have facts. Accordingly, the Shipping Board created a Division of Planning and Statistics. This body, comprising a selected personnel of forty scientists, has brought the labyrinthine trade of the world beneath its finger tips. Greatly are the professors serving us. Mr. Morrow here describes them—on the job.

Science in a Dance Hall

THIS group of men are here collectively described for the first time. Men of academic training, though they are, they are not above laboring in a building boasting no "ivy-mantled walls." The hectic Fates who govern the dwelling places of war workers in Washington have placed them in an ancient structure that formerly was a public dance hall! They boast a motto too on their humble walls, and this is how it reads: "It can't be done, but here it is." Time! Hourly Washington struggles against this mocking enemy—lack of time; and nowhere in our New Capital is the fight waged fiercer than in this one-time home of revelry. The London Board of Trade cables for statistics schedules A and B to be sent to them in five days. It takes two weeks to prepare the figures. Yet they go forward in exactly five days.

Their history starts in those volcanic days that followed the opening, in this country, of the war. Days also of uncertainty, of confusion and some frenzy. There were grave needs at home. From across the ocean came tragic calls for help.

First of all it was a baffling case of dividend, quotient and divisor. So many products and so many troops. Products that were urgent. Troops who must be assembled, trained and sent. And, meanwhile, ships being sunk. What had to be moved, divided by the number of ships, showed the necessary number of voyages.

Broadly, that was the problem, although the divisor was alarmingly being reduced and the quotient was rapidly being increased. Only one practical measure was visible: the dividend must be lessened. All the needs, then, and all the troops, normal needs and abnormal troops, were cast into tons. The aggregate was staggering. And the torpedoes were working greater and still greater ruin.

The casting into tons was done by the silent and unseen men. Summoned by telegraph, they came, mostly from colleges and universities. And quickly. Men, eager, practical, theoretical, they put aside rules and doctrines and sternly faced the facts. Many an intellectual plow was left midway in a furrow.

While rivets were being driven, speeches were being made, articles were being written, timbers were being hewn, steel was being rolled and masts were falling in the forests, these men, their names unknown and their voices unheard, were adding and dividing and then subtracting to make the troops and products fit the holds.

Then "Papa" Joffre landed on the admiring and listening shore of the United States. What he said privately to the generals, the admirals and to President Wilson will be known after Berlin and Vienna are occupied by American, French, British and Italian troops. What he said publicly was: "We want the inspiration of the American flag on the soil of France. Give us now a few regiments of your fighting men."

The war programme of Washington, by that time, had been made. It was changed with the coming of the lion-hearted hero o the Marne, of the soldier who saved Paris from pollution by Prussia's royal looters and Germany's petty thieves.

France required more than inspiration. She wanted rifles and bayonets and soldiers to use in her blood-soaked vineyards and on her perishing farms. But there were fewer ships than before. Came then the silent professors and specialists, experts with figures, columns and curves; they detached themselves from their private interests, left their classes, the books they were writing, the tabulations on hand, and reported to Secretary Baker, to Secretary Daniels, to Secretary Lansing, and to Mr. Hurley of the Shipping Board.

Away With All Dogma

THE background of facts, however, remained the same. After infinite pains, these professors obtained these facts: national facts, international facts, facts corporate and facts personal. The foundation of the achievements of these quiet men rests altogether on figures and events. Products were listed. That was easy. Next followed their history—sources of supply, uses, consumption, stocks on hand, the

money value of each industry, possible substitutes. All for the Shipping Board, primarily, but also for the Department of War, the Department of the Navy, the Department of State and the War Industries Board. Baker had to know and Daniels had to know and Lansing had to know. When an article of the Orient was exchanged for an article from the West and when America and the Allies in Europe were interested in the same line of goods—then were wanted expertly gathered facts! Scientific information! Such information was the only right guide to the right solution.

This group of men are, by profession, political economists. Some men follow political economy as a career and a livelihood; to them it is often an exact science like mathematics. Four times eleven are forty-four. Debate is impossible. The man who makes another answer is a fool.

Rigidity, similar in all respects, is to be met in political economy. Not always, but frequently. Thus: One should not be deprived of his right to buy where one can buy the cheapest. Barriers, preventative of such freedom, are unlawful and nonsensical. Here, again, debate is impossible. A differing answer, with some observations as to varying standards of living, only arouse mute signs of scorn for the objector.

Whatever may have been the mental habits of the political economists who inaugurated the planning and nice balancing for the Shipping Board, they are now men devoted to the new realities; purged they are now of all dogma.

They saw the world, their world, that is, the United States and the Allies, required certain things with which to fight Germany and on which to live while battling. Some of the things were produced where used and some were not. Likewise, there were deficiencies here and there among the nations.

Mathematical Strategy

TROOPS had to move from America to Europe and food and weapons had to go with and follow them. The tonnage remaining would be utilized, first, for the war needs of the English, the French, the Italians, and the other Allies, and then for what may be called general business. The ships of the Allies (with the exception of Japan) and of the United States were pooled, in a sense, through diplomatic bargaining. They were added up. Then the things to be hauled were totaled. Division, as was said, followed.

Paradoxical as it may seem, the quotient dwarfed the divisor. Mountains of things, it was found, could not be transported. Subtraction was the only solution of the problem. Now each item manufactured or article grown had its retinue of tribesmen and dependents. Strike at random, and up rise multitudes in defense of their particular interests. Some of them may be foreigners whose good opinion and whose staples may be of the highest value—as the Chilians, for example, and their sodium nitrate, or saltpeter, out of which, through chemical processes, emerge high explosives. Some may be good Americans, such, for example, as the manufacturers of pillows who pleaded against an embargo on the importation of feathers, arguing that to deprive people of the use of pillows would be asking them to endure too great a hardship.



One of the few exports from the South Pacific to survive the war embargo to this country is the now extraordinarily valuable fibre called capoc. It grows in Java and Borneo, a harbor of the latter island being shown in this picture. Capoc is more buoyant than cork, and, being a flosslike fibre, can be made into life-saving mattrasses and hammock pads. These latter are now being extensively used on our warships, emergency fleet, and in our embarkation service.

The Naked Facts

THE group of political economists, emptying their minds of sacred convictions, and sundering the ties that bound them to peace-time practices, rose to the occasion, squarely faced this new and unprecedented commercial situation. Some of them were not without previous experience. They had studied the history of business. They were not above earthly transactions. The others, with patriotic zeal, built sacrificial altars in the tabernacles of their surrender. The new religion spread. All the scientists surrendered to it.

Facts, they have found, are concrete and can be handled, boxed, shipped and used. Opinions on the other hand, are always intangible and at that may be both unsound and dangerous. Moreover, there were those among them who possessed the mysterious talent of knowing, approximately, what would probably happen. For them the globe of the world is divided into two parts: the North Atlantic and all the rest of the earth's sea surface. The North Atlantic: how many ships can they crowd upon that vital sea lane? The other seas: how many ships can they take from them? Those are questions they are asking—and answering.

Walking around their task and measuring it carefully, they perceived that it was of enormous proportions. Great Britain, France and Italy had previously agreed to cut down their importations—the goods they normally purchased in foreign countries or obtained from their colonies. The United States, of course, had also entered into the agreement. But even so, there were not anywhere nearly enough ships in which to carry the essential freight. Drastic reductions had still to be made. But friendships abroad must not be broken, nor industries at home threatened with destruction through the new restrictions.

While the scientists have no power in law or by indulgence, their functions being altogether investigative and recommendatory, their responsibility is very great. An error in their findings or their interpretation of the facts might lead the nation into wrongs and, perhaps into losses private and public.

Always in their calculations was the one imperative purpose—the transportation of troops and their weapons and supplies to the battlefields of France and the rationing, whenever necessary, of the civil population of the allied countries. France would collapse, were she starving. Great Britain could not fight without bread and meat to sustain her army and her inhabitants.

With unerring vision the political economists saw that the ramifying, complicating and puzzling facts had to be mobilized and brigaded. There could be no action without facts. Here then, was the rendezvous from which set out all subsequent adventures. Theories however, were not to distort or terrify the facts—to turn a rabbit into a wildcat or a ewe lamb into an elephant. All through discussions, programmes and reflections ran this great principle: "Ten thousand tons eliminated somewhere in the world are ten thousand tons transported on the North Atlantic, provided the machinery works."

Now, anyone can sit down and, cudgeling his wits, write out a respectable list of dispensable articles. Diamonds, probably, would be the drum major at the head of the parade. Wines, of course, would follow. Then pictures.

The railroads, blockaded east and west, prepared in their wisdom such a list. It contained five hundred and twenty-five items. Scientific gentlemen, members of the Cabinet, statesmen on Capitol Hill, and managers of mighty industries walked and talked and ate and slept with that list. It floored them one by one.

Offhand, the dispensables look meek and lowly. No tougher crew, however, has ever destroyed or reduced the egotism of Washington. The trouble lay in an error of arrangement, which the scientists of the Shipping Board promptly corrected. "What can we do without?" was made subordinate to the inquiry, "What cannot we do without?"

The Whitened Black List

AT once the list was reduced to a manageable size and then was declared to be inviolate. "Hands off" printed in large, black letters, protected it against assault or controversy. In this catalogue are such articles as tin, platinum, manganese, nitrate of soda, and cocoanuts: manganese for the manufacture of steel, nitrate of soda for the manufacture of explosives, platinum for the manufacture of acids, and cocoanut shells for the manufacture of gas masks



IN THE old days before the war, when we thought of something subject to neither change nor the shadow of alteration, we said it was as immutable as the laws of the Medes and the Persians. Now we say it is as unchangeable as an edict of the United States Shipping Board. For these are unchangeable. For instance, a New York importing company loaded a ship at an East African port with a licensed cargo destined for the United States. There was space enough left unoccupied to carry twenty tons of ivory. The company's agents applied by cable for a suspension of the embargo against ivory, saying that without the ivory which they were prepared to ship—including perhaps the very tusks shown in the picture on this page—the ship would sail with that space empty. The Shipping Board refused. An exception in one case would mean an exception in every case, the abolition of the rule. In only two contingencies are the rules set aside in favor of a proposed shipment—when it involves the public good or furthers the conduct of the war. To consider every case resting on private interest would entail the establishment of courts with elaborate and expensive proceedings. In a word, simple rules, economy, are more important than ivory.

given to the troops who are to face the poison German barbarians.

Camphor from Japan had to be looked after. There was quinine from Java, antimony from China (antimony used to harden bullets); from Naxos, an isle of Greece, there was emery, a substance absolutely necessary to us for grinding shells; from Columbo, there was graphite, used in crucible steel and as a lubricant:—all these imports bore that inviolate stamp of "win the war," and gaps in cargo were held for them.

"The more we get of these articles," the scientists said, "the better. Cargo room for them will always be available."

There was no consideration at any time of exports, of the things going out of the country to Europe or South America. Such shipments are controlled by the War Trade Board, of which Vance C. McCormick, representing the State Department, is chairman. Every pound of freight sent from the United States to foreign countries must be licensed by this board.

After ascertaining the things indispensable to this country for war purposes—manganese, saltpeter, and so forth—thousands of items remained for analysis and classification. Roughly they were divided into groups. The importation of many articles was declared to be unnecessary. Among them were agricultural implements and live domestic animals, except those intended for breeding purposes. Here are a few of the others: art works, shoeblacking, carriages, clocks and watches, manufactured cocoa and chocolate, cotton goods, billiard balls, poker chips, electric lamps, feathers, eggs of poultry, jewelry, matches, perfumery, candy, toys, umbrellas, pencils, penholders, soap, malt liquors, wines, musical instruments and tobacco pipes. These latter were not to be given cargo space unless in an empty ship from a British, French or Italian port to a port in the United States and not then unless the goods were on the docks and the ship could load them and unload them without delay.

This, for want of a better name, might be called the black list. In it will be found no essential item to a fighting man who is defending his life, his home and his flag. Besides, all of the articles are being produced in the United States.

Allied by Self-Interest!

BETWEEN the priority list—in which, as has been said, are manganese, saltpeter and so on—and the black list, there are several other lists. To set them forth would rouse contention and bring forth excited demands for explanations. Each product has a producer, or a number of them, in whose judgment his product is paramount.

It is enough to say that on the intermediary lists are such commodities as flax, jute, hides, animal oils, wool, coffee, quebracho extract (used in tanning), hemp, spices and mica. There are many more but enough have been given to serve as an illustration.

Altogether, there are hundreds of articles. And every article has a history. It has a source and a use. Over it may be one or a dozen flags. Back of it are men and their money—foreigners and natives. If a foreigner is hurt, he may strike back. If a native is hurt, he cannot pay excess profit taxes, nor buy Liberty bonds and savings stamps.

The political economists, the reader may now realize, are much more than mere statisticians. It has already been hinted that they are statesmen and diplomats, as well as strategists. They are also geographers and commercial experts. In some instances there sprang up in certain countries trusts to force up the price of imports sorely needed by us for carrying on the war. These countries received no cry of mercy from us. Lists of their necessities from this country were secured. A shipload of one was traded for a shipload of the other. "An even trade is no robbery," these clever countries were told. They acquiesced. They saw that we were ready to play our cards and that we held a mighty good hand.

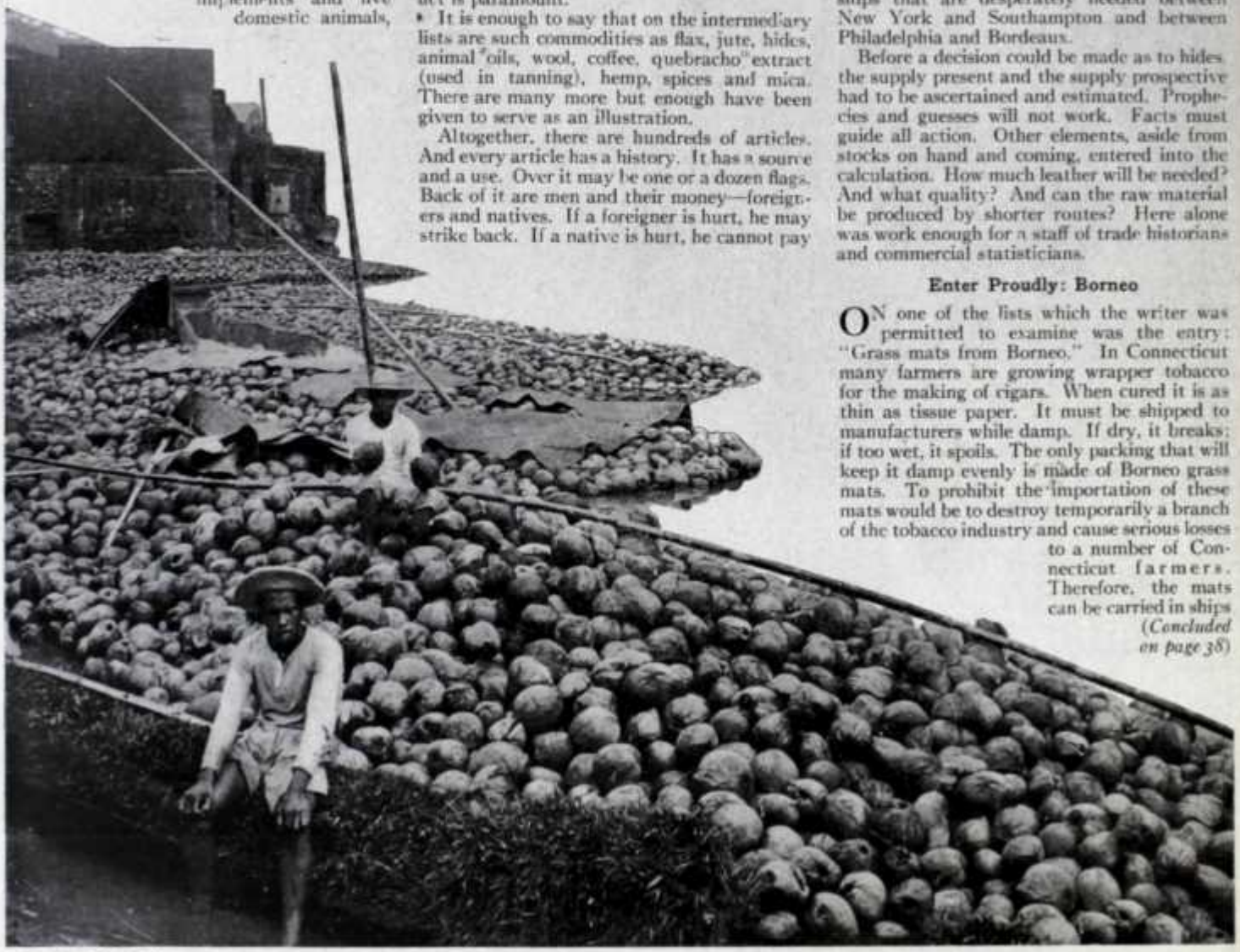
Other delicate problems there were. Take, for example, the nice balancing of shipments out of Buenos Aires. Wool, linseed, hides and quebracho extract are among the main products exported by the Argentine Republic to the United States. Lumped together, they seem to be a simple proposition. Wool for clothing, linseed for oil, and hides and quebracho extract for leather. But some of the wool is unfit for clothing. A line of exclusion had to be drawn through that particular product. The taking of all the wool and hides would require ships that are desperately needed between New York and Southampton and between Philadelphia and Bordeaux.

Before a decision could be made as to hides the supply present and the supply prospective had to be ascertained and estimated. Prophecies and guesses will not work. Facts must guide all action. Other elements, aside from stocks on hand and coming, entered into the calculation. How much leather will be needed? And what quality? And can the raw material be produced by shorter routes? Here alone was work enough for a staff of trade historians and commercial statisticians.

Enter Proudly: Borneo

ON one of the lists which the writer was permitted to examine was the entry: "Grass mats from Borneo." In Connecticut many farmers are growing wrapper tobacco for the making of cigars. When cured it is as thin as tissue paper. It must be shipped to manufacturers while damp. If dry, it breaks; if too wet, it spoils. The only packing that will keep it damp evenly is made of Borneo grass mats. To prohibit the importation of these mats would be to destroy temporarily a branch of the tobacco industry and cause serious losses to a number of Connecticut farmers. Therefore, the mats can be carried in ships

(*Concluded on page 38*)



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The manufacture of gas masks for our soldiers begins here—a river in Manila. From the Philippines and Central America come cocoanut shells which, when burned, produce a charcoal that absorbs the deadly gases of the Huns four hours longer than any other substance. In spite of this fact a skeptical member of the Shipping Board's body of trade experts was desirous of seeing this traffic curtailed. He had a son at the front. Figures were presented to him. Two or three hours more of holding out during a gas attack might mean his son's life. It was a convincing argument. The cocoanut shell trade continues.

Average Crops, With Wheat in Excess Survive Withering Tests of Heat and Drought

By ARCHER WALL DOUGLAS

THE most recent happening in the crop situation is one of exceedingly serious import. A severe drought, accompanied by unusually high temperatures, overspread the southwest and west from Texas northward to the borders of Minnesota and also extended generally east of the Mississippi River. In the southwest the "Sky was as brass and the Earth as iron underneath", and vegetation shriveled and burned up under the breath of prevailing hot winds. Pastures dried up, vegetable and truck gardens failed, and extensive damage was done to corn, especially that late planted. The production of corn will be seriously reduced though it is too early to say to what extent, since much early planted in the surplus producing states has already matured and consequently will not suffer much hurt. These hot winds are peculiar meteorological phenomena whose causes are not throughly understood, but which apparently destroy vegetation, not so much by their high temperature as by their extreme dryness, by practically absorbing all the moisture from the growing plants.

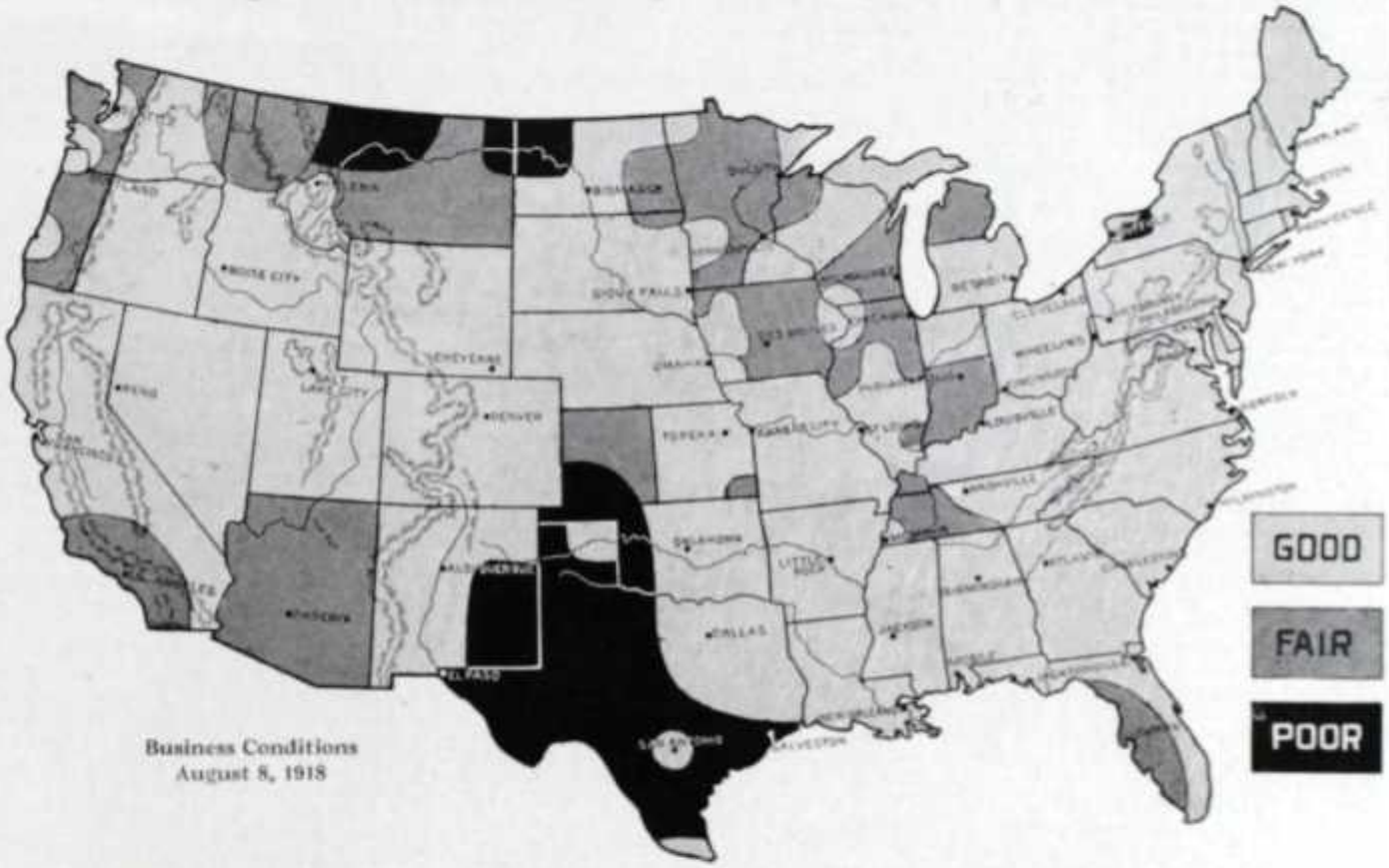
The damage done to the crops is spotted and local in much of the dry territory because the principal rainfall in July in the southwest and west was in the nature of very partially inclined thunderstorms which seem to fall where they listeth. As is always the case, misfortunes tread upon each other's heels so fast they follow, and cotton in Oklahoma, Texas, Arkansas and Northern Louisiana has been cut short by this same drought. East of the Mississippi River cotton has materially improved because of recent rains. The promise is still for larger yield than last year, providing rain be had in the near future in the drought stricken sections.

One of the most serious features of the situation is the drying up of the pastures, thus increasing the scarcity and high prices of feed for the time being.

For timely and abundant rains are Nature's usual kindly reaction after such a spell of abnormal heat and this precipitation quickly puts new life into the seemingly dead pastures and grazing ranges.

The numerous secondary crops are about normal on the whole. Unless therefore, the drought and heat prevail longer and more extensively than seems likely at this writing, we shall have average harvest returns of good measure on the whole, and larger than usual in wheat, oats and some other small grains. Wheat is coming to the market in steadily increasing volume and will soon be sufficient for all present needs of ourselves and our allies.

Plowing for winter wheat is going on steadily all over the winter wheat belt, and is greatly assisted by an increasing use of tractors. The farmer has already gotten away successfully with the job of harvesting with an apparent lack of necessary labor, and is hard at work preparing for a record breaking acreage of all agricultural products next speing. To paraphrase the words of a former farmer Governor of Wisconsin, "The farmer (*Concluded on page 38*)



Business Conditions
August 8, 1918

NEW TAXES IN THE MAKING

Taxes on Net Earnings, Beginning Modestly in 1913, Now Yield the Greater Part of War Revenue

THE new revenue bill is still in process of elaboration. All that has been accomplished by the House Committee on Ways and Means since it settled down to the task of drafting the bill, in the first half of July, will scarcely be known until the text of the bill is made public. Members of the committee continue to have expectations that the bill will be ready for publication about August 19, but expectations, like everything else connected with the measure, are subject to radical revision.

The committee's method appears to have been to go through the existing laws for taxes, consider what rates could be increased, and estimate the new revenues to be expected; having dealt with each rate in this tentative manner, it has returned to the different items to give them more careful consideration. This procedure means that a very important part of the task has remained to the last,—amendments of language in the text of the law.

Decreasing the Exemption

TAXES on incomes and profits will, as last year, yield the greater part of the revenues. A normal income tax of 10 per cent for individuals and an income tax as high as 18 per cent for corporations have been discussed by the committee. As it is understood the present two income taxes carried in different laws will be combined, the exemption of $3,000 or $4,000 which now applies as to the older will be decreased and made uniform at $1,000 and $2,000. Taxation of income from bonds of states and municipalities, and of salaries not only of state officials but also of judges of the federal courts, has been under consideration, but what will be done remains uncertain. About the power of Congress to levy tax on such incomes there is doubt, since it is not clear that the Sixteenth Amendment to the Constitution, granting authority for Congress to place taxes upon incomes "from whatever source derived," overrides earlier distinctions.

Surtaxes on individual incomes will be increased sharply. They will apparently begin at $5,000, as at present. According to one scale before the committee, beginning with 3% instead of the present 1% for the first step,—i. e., on $5,000 to $7,500,—they would rise to 13% on $15,000 to $17,500 (now 5%), 30% on $40,000 to $50,000 (now 12%), and so upward to 75% on $750,000 to $1,000,000 (now 55%) and 80% on the excess over $1,000,000 (now 63%).

Only Net Income Affected

SUCH a high rate as has been mentioned for corporations would seem to affect only net income not distributed as dividends, since for this portion a rate of 12 per cent has been mentioned. Apparently, the present tax of 10 per cent upon amounts carried to surplus and not reasonably required in the business will otherwise disappear. Regarding such questions as removal of the present limitation upon deduction of interest no amendments have been made public.

With taxes on profits the committee has had considerable difficulty, at one stage getting into a disagreement with the Treasury Department. The committee began by revising the present deduction for the excess-profits,—7 to 9 per cent on invested capital plus $3,000,—and placed it at 10 per cent plus $2,000. The graduated rates of 20% (on excess between exemption and 15% of invested capital), 25% (on 15-20%), 35% (on 20-25%), 45% (on 25-33%) and 60% (on 33% upwards) it changed to 30% (on excess between exemption and 20%), 50% (on 20-25%), and 80% (on 25% upwards).

Considering the Excess Profit

AGAINST these new rates on excess profits the Secretary of the Treasury protested, taking the position that the present rates should be kept and that a war-profits tax at a flat rate of 80% should be provided, with discretion in the Treasury Department to apply the table,—excess-profits or war-profits,—that would bring the larger returns. The committee in fact seems to have decided upon the war-profits tax which the Treasury suggested, although it has not yet indicated the basis it will propose for determining war profits. The probability is that the committee will decrease somewhat the rates on excess profits it originally proposed but will leave them higher than existing rates.

At the same time, the committee has doubled the present tax on corporations of 50 cents per $1,000 of the fair value of capital stock, and has eliminated the exemption of $99,000; the change in the exemption had already been forecast by the Bureau of Internal Revenue in calling for returns.

Extravagances vs. Luxuries

AFTER taxes on incomes and profits the new taxes on luxuries probably have most general public interest. The committee was not originally very favorable to such taxes, but has apparently found it necessary, in order to get revenues, to depart from a number of its predilections. This tax is placed at 10%, and is to be paid by the manufacturer or importer. So far as there are now excise taxes upon the articles in question, they will apparently give way to the new tax. The complete list of articles has not been made public, but it is understood to include:

Art objects	Furs
Player pianos	Passenger automobiles
Phonographs	Perfumes
Pipe organs	Proprietary medicines

Cameras

Some other articles, such as cash registers and typewriters, may be subjected to this tax, not so much because of their nature as for purposes of revenue.

Taxes that may be designated as war extravagances,—i. e., upon articles of necessity but of such quality and price as to be luxuries,—are also proposed. The tentative rate is 20% of the retail price. Obviously, this tax is to be collected by the retailer from his customer. The articles which have been mentioned, and the prices above which they become subject to tax, include:

	OVER
Suits and overcoats for men	$50
Dresses for women	40
Suits and coats for women	60
Hats for men or women	25
Shoes	10
Waistcoats for men	5
Neckwear for men	2
Silk underwear and hosiery	10
Shirts for men	3
Smoking jackets and bath robes	10
Trunks	50
Traveling bags, etc.	25
Purses shopping bags, etc.	7.50
Carpets and rugs, a square yard	5
Umbrellas and sunshades	4
Fans	1

Only a few of the new taxes have been mentioned, for no authoritative statement regarding rates or articles will be possible until the committee places its bill before the House. Even after the bill has reached this stage, and subsequently has passed the House, it will remain in doubt, for the Senate Committee on Finance is sure to make extensive changes. In any event, the bill that will become law in October,—or perhaps in November,—will probably differ in many respects from the bill now being formulated. The law will be largely written in conference between the two Houses. All earlier decisions about subject of tax and rate will in reality be tentative.

Present Law Undoubtedly Fruitful

JUST what the revenues from the new bill will be necessarily cannot be foretold with precision. But the fruitfulness of the present law has been demonstrated. Now that the Bureau of Internal Revenue has had time to cast up its accounts it finds that in the 12 months ended on June 30 it collected as follows:

Incomes and excess profits	$2,839,000,000
Spirits	317,000,000
Tobacco	156,000,000
Fermented liquors	126,000,000
Transportation	62,000,000
Estates	47,000,000
Admissions to theatres, etc.	26,000,000
Capital stock	24,000,000
Automobiles	23,000,000
Stamp taxes, bonds, stock, conveyances, etc.	12,000,000
Future deliveries	2,000,000
Stock transfers	2,000,000
Playing cards	1,000,000
Munitions	13,000,000
Miscellaneous excises, on piano players, jewelry, cosmetics, etc.	12,000,000
Insurance	6,000,000
Messages by telegraph, etc.	6,000,000
Oleomargarine	2,000,000
Beverages	2,000,000
Club dues, etc.	2,000,000
Bowling alleys, etc.	1,000,000

As a matter of fact, all the revenue from the taxes imposed on net income in 1917 was not received before June 30. Between July 1 and August 9 the Treasury received $500,000,000 additional from incomes and excess profits, causing the return from these items to mount to $3,300,000,000.

Will Guide Taxpayers

THAT the new law will allow more elasticity of application, in order that inequities may be avoided, seems settled. The Committee on Ways and Means has already announced it will recommend a (Concluded on page 30)

The Treasury Charts a Course

The New Tax Burden of Eight Billions Can Be Borne Only If Justly Distributed. Secretary McAdoo Makes Important Distinctions

ON May 27th President Wilson asked Congress to remain in session to enact urgent new tax legislation, and indicated his expectation that Congress would turn to war profits, incomes and luxuries for the additional taxes. Secretary McAdoo estimated that the expenditures for the fiscal year ending June 30, 1919, would reach $24,000,000,000. On August 14th he outlined the Treasury Department's position on the new legislation before the Ways and Means Committee of the House. We give here significant excerpts from his remarks, which help to an understanding of the new bill.

I SHALL not trouble you to review the reasons which led me to wage the enactment of a revenue measure which would produce not less than one-third of these estimated expenditures, or $8,000,000,000. I understand that that view has met with acceptance by your Committee.

Turning to the consideration of the general recommendations as to the character of the revenue act, the most important, and I am sorry to say the most controversial is that in relation to the war profits tax and excess profits tax.

The distinction between a war profits tax and the excess profits tax is not a matter of form, but of substance. By a war profits tax we mean a tax upon profits in excess of those realized before the war. By an excess profits tax we mean a tax upon profits in excess of a given return upon capital. The theory of a war profits tax is to tax profits due to the war. The theory of an excess profits tax is to tax profits over and above a given return on capital. A war profits tax finds its sanction in the conviction of all patriotic men of whatever economic or political school, that no one should profit largely by the war. The excess profits tax must rest upon the wholly indefensible notion that it is a function of taxation to bring all profits down to one level with relation to the amount of capital invested, and to deprive industry, foresight and sagacity of their fruits. The excess profits tax exempts capital and burdens brains, ability and energy. The excess profits tax falls less heavily on big business than on small business, because big business is generally over-capitalized and small businesses are often under-capitalized.

The war profits tax would tax all war profits at one high rate; the excess profits tax does, and for safety must, tax all excess profits at lower and graduated rates. Any graduated tax upon corporations is indefensible in theory, for corporations are only aggregations of individuals, and by such a tax the numerous small stockholders of a great corporation may be taxed at a higher rate than the very wealthy large stockholders of a relatively smaller corporation. The object of a graduated tax should be to make taxes fall upon the rich who are best able to pay them. The graduated excess profits tax disregards this, and often produces the reverse result.

Seeks Additional Sources

BUT, though these great defects in the excess profits tax lead me very strongly to recommend that you should seek additional sources of taxation in the war profits tax and not in an increase of the excess profits tax, I have from the beginning favored the continuance of the existing excess profits tax with the inequalities and injustices remedied because this is not a time when the Treasury can afford to dispense with any existing source of revenue. Rather, it is my duty to point out to you additional sources of taxation.

As I have already indicated, I am opposed to increasing the excess profits tax. This does not mean that I think the existing excess profits tax cannot be improved. On the contrary, I have indicated from the beginning, and repeatedly, that I think it can and should be improved.

If as I now understand, you contemplate an increase in the exemption, then there must also be an increase in some of the excess profits tax rates to make the tax produce an equal amount of revenue. Similarly, if, as seems probable, additions to invested capital made during the past year will result in a reduction of the revenue produced by the excess profits tax under the existing rates, modifications must be made on that account.

Must be Just to Majority

MY thought has been not that the existing rates or laws should be regarded as sacrosanct but that the existing law should receive modification, not from the point of view of producing additional revenue from the excess profits tax, but from the point of view of producing the same revenue and with a reduced and not increased injustice and inequality. There should be a war profits tax at a flat rate of 80 per cent and the excess profits tax should not be depended upon to produce increased revenue, but modifications are desirable to reduce the inequalities of the present law.

The imposition of these great taxes, calculated to produce $8,000,000,000 in one year, cast a heavy burden upon you, gentlemen, and upon me. For years, even under the tax law of 1917, taxes have been in such relatively moderate amounts as in only exceptional cases to produce hardship. Should the Congress enact a law this year calculated to produce revenue of $8,000,000,000, it will do so as a necessary war measure, carrying with it a heavy burden upon the business and prosperity of the country which can only be borne if the burden falls equally and justly according to the ability of the tax payer to meet it. No arbitrary rule, no foresight of yours can deal with every case in a manner to produce justice, equity and avoid ruin. In order to equalize taxation, authority must be conferred upon the Commissioner of Internal Revenue acting with the advice of a Board of Advisers and subject to the approval of the Secretary of the Treasury. These are war measures and require to be dealt with as such.

Turning now from the subject of profits taxes to the subject of income taxes, I ask you to bear with me while I read to you certain paragraphs in my letter of June 5th relating to the normal income tax:

"I hope that it will not be necessary to increase the interest rate on Government bonds. The number of subscribers to the three Liberty Loans aggregated 30,000,000. The people who subscribed are impatient of those who have not. Various plans have been urged upon me for forcing the people to buy Liberty Bonds. The man of small means who buys a $100 bond wants his neighbor to do so too. There is a popular demand also for high taxes upon war profits. There is also a popular demand that all the people should contribute to financing the war. There should, therefore, be a substantial increase in the normal income tax rate and a higher tax should be levied upon so-called *unearned* than on *earned* incomes. Income derived from Liberty Bonds would be exempt from this taxation and the relation between income from Liberty Bonds and income from other securities would be readjusted without increasing the rate of interest on Liberty Bonds. It would not tax the patriotic purchasers of Liberty Bonds on their holdings, but it would weigh heavily upon the shirkers who have not bought them. It would make the return from Liberty Bonds compare favorably with the return from other securities. It would give the Government's bonds an essential and necessary advantage over those of corporate borrowers and would very greatly decrease the relative advantage which State and municipal bonds now enjoy through the total exemption which they carry. It would produce a gradual readjustment of the situation in the investment markets instead of an abrupt one, as would be the case if the interest rate on Liberty Bonds should be increased.

To Stabilize Government Bonds

A NORMAL tax falls upon all alike. Therefore, as I pointed out in my statement before the Ways and Means Committee last summer, there is not the same objection to the exemption from normal income taxes as there is to the exemption from surtaxes. A substantial increase in the normal income tax is the soundest and surest way of stablizing the price of Government bonds. If we have to increase the interest rate on Government bonds, the increased rate may continue for ten to thirty years and some of the bonds which we have issued will go to great premiums not long after the war is over. If we make the bonds at the present rate more attractive by increasing the normal tax, then the decrease in taxation which will follow the close of the war will automatically adjust the situation. I believe that to stabilize the price of Government bonds by first increasing and subsequently reducing the normal income taxes, from which the holders of the bonds are exempt, is sound finance and sound economics.

I cannot profitably enlarge upon what I thus wrote more than two months ago, except to say that the failure to continue what is, in effect, a 12 per cent (*Concluded on page 44*)

WAR WOUNDS OF GERMAN BUSINESS

Rich in Paper Money, Impoverished in Real Wealth, Lack of Actual Capital and Labor Power Will Long Prevent Germany from Striking Her Pre-War Gait

By VICTOR S. CLARK

National Board for Historical Service, Carnegie Institution

BUSINESS conditions in Germany are characterized by a plethora of paper money and a scarcity of raw materials and manufactured goods. Specie payment was suspended at the outbreak of the war and has never been resumed. Meantime billions of paper bank notes have been issued. Cities print shinplasters to supply the need of fractional currency, and a good deal of iron is being coined. The gold reserve has declined in both Germany and Austria, though most markedly in the latter country.

Coal is the only raw material of which Germany has an approximately adequate supply for industrial needs, and that has failed in certain sections on account of transportation difficulties. For instance the glass and porcelain industries have been rationed at 60 per cent of their normal consumption for considerable periods. Sugar factories and refineries, and other essential manufactures, are also hampered by lack of coal. Mines were stripped during the early years of the war, so that new development and timbering are required to keep up output.

There is enough iron and steel for the army, but apparently not enough for domestic needs, as the warehouses are universally reported bare and deliveries for urgent civilian demands are not promised for a definite date. Lack of manganese ores and of scrap has interfered with the manufacture of special grades of steel.

Lead, zinc, and aluminum are the only other metals of which Germany seems to have an approximately sufficient quantity, and there is some shortage in these fields. Copper and its alloys as well as nickel are badly wanted. Tin is so scarce that meats and vegetables are being preserved in cans of lacquered steel which, like most metal substitutes, is not altogether satisfactory. Aluminum is used to some extent in electrical conductors. Copper roofs, gutters, and all brass and bronze objects, including even church bells and public statues, have been requisitioned. Government officials go from house to house collecting objects of metal, such as window lifts, hinges, and the like, bringing substitute articles of other materials with which they replace the objects taken.



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The man in the foreground, little disturbed, apparently, by the fact that this Roumanian oil well is on fire, probably typifies the attitude of his countrymen. They would rather see the natural wealth of the nation go up in smoke than fall into the hands of the Germans, to whom the oil regions are more useful than even the granaries of the invaded country. The central empires are imposing on Roumania a contract—monstrous, our State Department calls it—for the concession, exploitation and sale of petroleum which constitutes a complete seizure of the industry

In the textile industries, the most striking effect of the war is the substitution of paper-yarn cloths for cotton and other fibers. Some nettle is used, but the supply is negligible compared with the consumption of fabrics for which it is fitted. Paper has proved a success for cement and sugar bags, and for some outer garments, where it takes the place in the trade that denims and jeans might occupy in America. In spite of reports to the contrary, it does not wash well. But paper fabrics, resembling so-called "fiber-silks" in texture and appearance, fill a place in the millinery, fancy clothing and drapery trade.

Exporting Under Difficulties

GERMANY has little wool except the domestic clip, which is smaller than in times of peace on account of lack of pasturage. But old wool is being used over and over. Flax is cultivated much more extensively than before the war, both for its oil and its fiber, the latter being essential for aeroplanes. Some silks are still being made. The manufacture of mixed goods, in which shoddy and paper are utilized to the utmost, is active.

In all textile industries, as in other lines of manufacture, the shortage of materials extends even to substitutes. Factories are shut down for want of paper yarn, as well as from lack of wool and cotton.

The wholesale and retail trade are characterized by an enormous demand for goods accompanied by almost no wares in stock. There are hardly any commercial travelers left in Germany, because city buyers snap up goods before outside purchasers get a chance to bid for them. Thefts in the railways, and war delays add to losses in transportation, and have multiplied the cost of carriers' insurance. Newspapers still advertise ladies' garments, porcelains, fancy goods, and agricultural implements, but neither deliveries nor prices are certain except for limited retail sales.

Germany is exporting moderate quantities of half manufactured iron and steel, and coal, to Holland, Switzerland, and Scandinavia, and even sends abroad small parcels of silk brocades and similar goods. Enameled ware, scythes, musical instruments, safety razors, certain drugs, and notions are being sent to Russia and the Ukraine. But this does not indicate that Germany has a surplus of these goods, or even nearly enough for home demand. It indicates the war needs force Germany to exchange the goods it needs, for the use of its own people, for other goods still more urgently required. Without exports, Germany would have to pay gold for imports, still further lowering the exchange value of the mark abroad, and undermining the stability of its paper currency.

At the last Leipsig fair in March 70,000 buyers and exhibitors were present. Many of the latter made displays without any intention of selling goods or even taking orders, but merely in order to keep in touch with customers for times of peace. Orders were mostly accepted, when at all, subject to the clause now very familiar in Germany, "delivery and prices not guaranteed."

The general situation of banking and industry is characterized by the shutting down of smaller and less profitable plants, and by concentration in the largest and most productive plants. Banks have amalgamated rapidly during the war. The same is true of the more important industries. Manufacturers using fuel in large quantities, especially iron and steel makers, in order to escape government rationing, have purchased coal mines. Some shipping and transportation companies have done the same.

The government regulates manufacturing and bases its contracts, which dominate the whole business situation, upon general prices fixed upon a basis of production costs in the least profitable plants. This has enabled the larger and more economical plants to make enormous dividends, and has caused great scandals, in some of which false cost accounting has been charged. There has been a riot of stock watering, writing off of capital, and profit concealment in devious ways, that does not reflect credit upon the business honor of the country. The stock exchange is now more closely supervised than early in the war and founding new companies and increasing the capital of existing companies require a government permit which is seldom granted.

A Setback to "Made in Germany"

IN general, Germany is rich in paper money but impoverished in actual wealth. Its plans for controlling the world's market after the war are projects only, without material preparation behind them, except the great plants now supplying war needs. Even these plants have in many cases run down, through being worked at high pressure with inadequate repairs, poor or insufficient lubricants, and untrained labor. No new merchant vessels have been built during the war—at least vessels already partly completed before the war broke out, still stand unfinished at the docks. Germany's merchant marine has declined to 2,500,000 tons.

The soil has been impovished by poor tillage and recropping without fertilizers. Animal fertilizers have decreased with the decline of live stock. Artificial fertilizers do not supply their place, and there is great lack of both nitrates and phosphates, even domestic potash often failing for want of transportation at the time it is needed by farmers.

Germany's future competition will be supported by the excellent technical training of her manufacturers and merchants, by a political-economic organization possibly of a high order, and by the industry and thrift of the people. But there are sound grounds for believing that for some years to come Germany will lack the actual physical capital and the labor power to strike again the pace of production that she maintained before the war.

WAR LABOR FURNISHED

Competent, Reliable, Unskilled Labor Supplied to War Industries; Any Quantity Required; Best of References; Apply U. S. Employment Service. tf. 16

By WILLIAM B. WILSON

Secretary of Labor

THE war industries of the country are short of men, perilously short. As a result, they are not attaining the productive power of which they are otherwise capable. These industries must be fully manned. Decrease of our productive power now, as President Wilson has pointed out, threatens the existence of the nation.

Such a threat calls for defensive measures by the only element in the community which is a match for the conditions to be combatted—the government. The government, therefore, has acted, and the thing which it has done is probably the most drastic thing it has determined upon since it put the National Army draft into effect. It will see to it that labor conditions are stabilized, that the war industries are supplied with workers.

It is not altogether, or perhaps even primarily, an actual shortage of men which has brought us to this desperate pass. To a very large extent the trouble has been the lack of proper distribution of workers. The President lays much of this to ignorance of actual conditions. "Men have gone hundreds of miles in search of a job and wages which they might have found at their doors. Employers holding government contracts of the highest importance have competed for workers with holders of similar contracts, and even with the government itself, and have conducted expensive campaigns for recruiting labor in sections where the supply of labor was already exhausted. California draws its unskilled labor from as far east as Buffalo, and New York from as far west as the Mississippi. Thus labor has been induced to move fruitlessly from one place to another, congesting the railways and losing both time and money."

Pittsburg endeavors to "steal" men from Detroit and Detroit "poaches" on Pittsburg. Advertisements in street cars in both places attest the fact, and the condition is duplicated in every part of the country. Labor turn-over, that perennial blister of employing officials, is in some cases as high as 100 per cent a week.

It was the unanimous decision of the members of the War Labor Policies Board of the Department of Labor, a body composed of representatives of the Labor, War, Navy and Agricultural Departments, the Shipping and War Industries Boards, and the Food, Fuel and Railroad Administrations, that the first step toward labor stabilization must be the concentration of all labor recruiting activities in the Employment Service of the Department of Labor.

Force was given to that decision by a proclamation of the President in which he not only urged, but solemnly urged, "all employers engaged in war work to refrain after August 1, 1918, from recruiting unskilled labor in any manner except through this central agency. I

urge labor to respond as loyally as heretofore to any calls issued by this agency for voluntary enlistment in essential industry."

What the government proposes to do is nothing less than to revolutionize the entire system of recruiting and supplying unskilled workers for war production. More accurately, it is to establish system where none now exists. The government has appropriated to itself a monopoly, within certain lines, of the business of finding workers for war industries; the United States Employment Service will be a giant employment office, covering, in its operations, every section of the country.

For War Work Only

EMPLOYERS with war business who have a force of more than 100 workers will not be permitted to recruit common labor. They will be required to use the federal service. While the restriction against private recruiting applies for the present only to unskilled labor, as soon as possible it will be extended to include skilled labor. Eventually no employer may be permitted to hire men who have not United States Employment Service cards. In the meantime, private recruiting of skilled laborers will be subject to regulations to prevent the wholesale stealing and poaching which have been so largely responsible for the disorganization of the labor supply.

The absorption by the Employment Service of all war labor supplying will be gradual, so that it will not be overwhelmed. For six months the Service has been organizing a national recruiting and placing machinery, uniting in a single system all federal and state employment systems, opening scores of new employment offices at strategic points, and building up a great recruiting agency that covers virtually every county and township. The placing machinery (employment offices) gridirons every industrial and agricultural section with more than 400 offices in operation and new ones opening daily. The recruiting machinery, the Public Service Reserve, has some 17,000 agents throughout the country, and this number is to be increased to 25,000. The service is finding and placing men at the rate of about 2,000 000 a year—a rate approximately 800 per cent greater than a year ago.

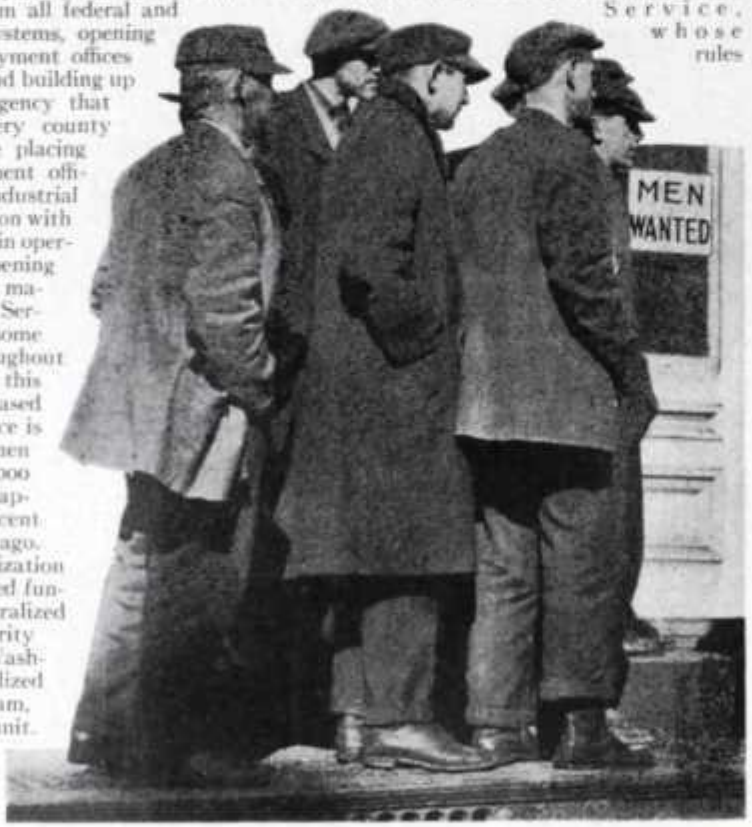
The national organization of the service is based fundamentally upon centralized administrative authority in its main office at Washington, with decentralized execution of its program, with the state as the unit. The states in turn are grouped together, according to homogeneity of industrial interests and problems, into 13 employment districts, each district in charge of a superintendent. Generally the states, each of which has a state director of the United States Employment Service, handles labor clearances or transfers within them, while clearances between the states are supervised by the district superintendents. Clearances between districts and general supervision of the field work is in charge of the main office at Washington.

The new labor-supplying program will be conducted in accordance with the following four cardinal principles:

1. War work must have men at any cost.
2. Withdrawals of workers from nonessential industries for war industries will be equalized.
3. The volunteer principle will be followed in dealing with the individual worker.
4. Only fit men will be sent to war industries.

As one means of obtaining the cooperation of employers, employees, and their organizations, community boards, with equal representation of employers and wage earners will be formed in all industrial centers to work with the representatives of the Employment Service and its Public Service Reserve. Since labor priorities are fundamentally best determined locally, these community boards will be asked to play an important part in determining how withdrawals of workers for essential production will be made. Employment managers especially will be urged to work in conjunction with the local offices of the Employment Service and the agents of the Reserve.

Non-essential manufacturers, farmers, and war manufacturers with less than 100 workers, and the transportation industry for the time being are not included in the prohibition against private recruiting, although their activities will be regulated by the Employment Service, whose rules shortly will be announced. A number of the railroads, however, notably those in the west, already have agreed to get their labor exclusively through the service and their agencies have been taken over by the Federal service.



Now endeth the divine right of the worker to labor at the wrong job. When kings and presidents are working together, should laborers float idly about? Away with that prehistoric "Help Wanted" sign! Hail the 25,000 efficient agencies of the Public Service Reserve!

Prior to July 15 the Employment Service devoted itself to perfecting the recruiting and placing machinery in every state and county. Furthermore, all war industries were asked to give to the Employment Service estimates of their coming needs so that a national view of the common labor requirements might be known.

With the total as a basis, each state will be given a quota of common labor, which may be drawn upon as men are needed. The state quotas will be determined by the main office at the Employment Service, and will be based upon each state's resources as accurately as possible. The state directors of the Public Service Reserve in turn will divide their states, assigning to each division a certain portion of their state's quotas. Each state director, in redistributing his state's quota, will consult with the Reserve directors of other states, the directors of the Employment Service proper, and with business men.

The Hidden Big Stick

THE quotas are not drafts upon the states, but constitute a protection to the states. Some states have been drawn upon too heavily, while others have not been given their fair share. By determination of state quotas the fairest possible figures are expected to be arrived at. Industries within a state will be cared for by withdrawals from non-essentials within its borders whenever possible. For instance, calls for small numbers of men by war industries in Pennsylvania could be met by taking men from non-essentials within the Keystone state's borders, while calls for a great number would be met by transfers of men from non-essentials elsewhere in the country.

With the Public Service Reserve machinery in each state attending to the recruiting through agents in virtually every community, the local offices of the Employment Service will attend to the placing. They will be in constant touch with the war industries in their respective territories, receiving regularly the requirements of those industries in order that labor needs may be known in advance. All calls for common labor will be carefully checked by the branch employment offices in order that only the actual needs may be given attention. It has been found that many firms still call for 1,000 men in a week, when actually 200 cannot be used within three weeks.

"The best men in industry for the war industries" will be the goal of the Employment Service. Experts in sizing up workers according to their training and experience will be attached to the local offices of the Employment Service, and few will be the men sent to a shipyard or munition plant who are not according to specification. When expedient, local health boards will be utilized in determing the physical fitness of workers.

Pitiless publicity will be the recourse against any employer who fails to comply with the labor-adjusting regulations. Any violations will be thoroughly investigated and the facts made public. Through its control over war materials, the War Industries Board, represented in the War Labor Policies Board of the Department of Labor, will provide a lever against any recalcitrant employer who may selfishly persist in disregarding the rules laid down for the stimulation of America's war production.

War manufacturers will be protected against inroads upon their working forces by private labor "scouts" by this centralizing program. No longer can any shipyard or war-materials manufactory take men from another equally essential enterprise. *Farmers will be one of the classes of essential producers to benefit. In many sections, notably in the* (Concluded on page 34)

FROM THE LINE TO NORTH OF 53

The American Oil Can, a Forerunner of Civilization, Has Been Naturalized In the Remotest Corners of the Globe

By MABEL H. WHARTON

GO where you will the world over you will find the five gallon tin of Standard Oil there before you. India, Arabia, Persia—Sumatra, Java, Borneo—in the Maori hut of New Zealand, in the whaler's cabin bound in the icy fastness of Greenland. It travels to the far plateaus of Tibet—to the thickest jungles of India. In the highest cabin perched on perilous passes of the Himalayas, it is not a stranger. It is in the newest upstart village—in cities that were old before the Exodus from Egypt.

It travels by strange means and varied. Here it rides in state on the swaying back of an elephant, or swung along the sides of slow moving bullocks it pierces the great forests of the upper Ganges. Unloaded from lighters it is carried on the backs of long-legged donkeys wading shoreward. It follows the sinuous ways of sluggish rivers in little country boats. Strapped to the backs of brown men it hazards the dangerous narrow ledges of the mountain passes.

And these men that guard it—they are as varied. White men, black men, brown men and yellow—Hindoos, Mohammedans, Sikhs, Gurkhas, wild races of the innermost fastnesses.

If you look closely at these five gallon tins you will see that they bear labels strange and brilliant. There is the Elephant Brand that goes to India. The elephant is a royal animal and carries prestige—how down to him. The Monkey Brand is destined for Tibet. The magnificent Tiger Brand glorious in black and yellow finds its way to China. Everywhere has this company taken advantage of this strange psychology of sacred animals as a factor in its export advertising. A Hindoo buys a can of Monkey Brand oil, and his purchasing has become a religious act. The monkey is a sacred animal to the Hindoo.

Can Can't Be Canned

THUS these people buy American oil shipped thousands of miles in preference to oil obtained near at hand. They want the can with its flaming animal poster. And then when the cans are empty they become strange and wonderful receptacles. They hold burning incense in the sacred temples along the hills of India. Songbirds are caged in them to sing outside the huts. In the bazaars of Lucknow and Calcutta you may buy your curry and rice from a dish of Standard Oil origin. They hold water and milk, store your food against rats, and your money against thieves.

But how did this come to be? It didn't just happen so. It took years of study. Between 1880 and 1885 this company was busy with its commercial missionary work. Its men gathered statistics from weird and wonderful capitals of Asia. They worked for the repeal of age-old restrictions and duties; they studied native religions, and fought and downed prejudices that were rock-ribbed and hoary.

In China they fought the Mandarins, for the Mandarins had a little corner in native vegetable oils themselves—so they shut out the "foreign devil" and his oils. At first they made it a capital offense to be caught using petroleum. These prejudices were not conquered in a day, but the Standard Oil has used brains as well as brawn to fight them.

In China Standard Oil is like the light of a missionary. It has uplifted the nation and promoted industry. After four o'clock the people of China could not see to work on the fine silk whereby so many make a living. A rag soaked in crude vegetable oil does not promote industry.

The Company came to the conclusion that they needed lamps in China and needed them badly, so they put careful study to the matter and produced a lamp to suit the people. A small tin affair lacquered in color. It is broad at the base to stand, or may hang on the wall by a hook. "Mei Foo" is the inscription on the chimney, meaning amiable, trustworthy, and it surely has been, both to the people of China and to Standard Oil. They cost the Company eleven cents to make them, and they sold them for seven and one-half cents. The first year they made them they sold 875,000. The next year they sold 2,000,000, and the sale of oil went up by leaps and bounds.

Posters advertise the lamps on the streets, and the learned scholar expounds to the gathering crowd that the lamp will bring happiness, prosperity and long life—which is quite true, and fits in with their belief as well.



The oil can is this Filipino woman's water jar. Song birds are caged in it. It stores food against thieves. And in Calcutta you may buy your curry and rice from a dish of this origin

So the Company meets these people on their own ground. At first they use their credulity as an advertising basis. After winning them over, they light their way to bigger, better things—education, industry and happiness.

The five-gallon tin came into being originally to cut down the cost in transportation. Case oil it is called, the cases consisting of two five-gallon tins in a box. These cases cut transportation costs in two for case oil vessels can take a return cargo from a foreign port, where a tanker can take but a specified cargo, and not a very large one at that. Of course Standard Oil makes the tins—hundreds of thousands every day at its large plants.

Let Oil Blessings Flow

SO if you follow one of these tins filled with oil from your native state, it will take you on long and wonderful journeys, among strange and amazing peoples, especially if it is labeled colorfully with an animal of sacred history.

There has been no special reason why the people of those distant lands should not have had oil and oil lamps long ago—no reason, except the lack of the spirit that has made us, since the 50's, the greatest oil producing nation in the world. They have known of oil, most of them, for centuries; and have dug for it and drilled for it with their crude devices.

In some countries they still go after oil by hand, so to speak. They dig a well. And a man goes down with a lantern and a bucket. A big bellows sends air down into the depths so that he may breathe, and the plan works very well except when he stumbles on a discharge of gas—in which case he never lives to tell the tale.

Or, in another neck of the woods, you find something now nearly approaching the American method—a crude percussion bit, and a plan for laboriously carrying off the broken earth with water. They can't dig deep; they get only oil that is near the surface, and they don't know what to do with it when they get it.

American oil drilling methods, by reason of their effectiveness, speed, and economy almost at once displaced the best foreign methods known, and since the development of our oil fields began, those methods have improved, and have become the standard all over the world.

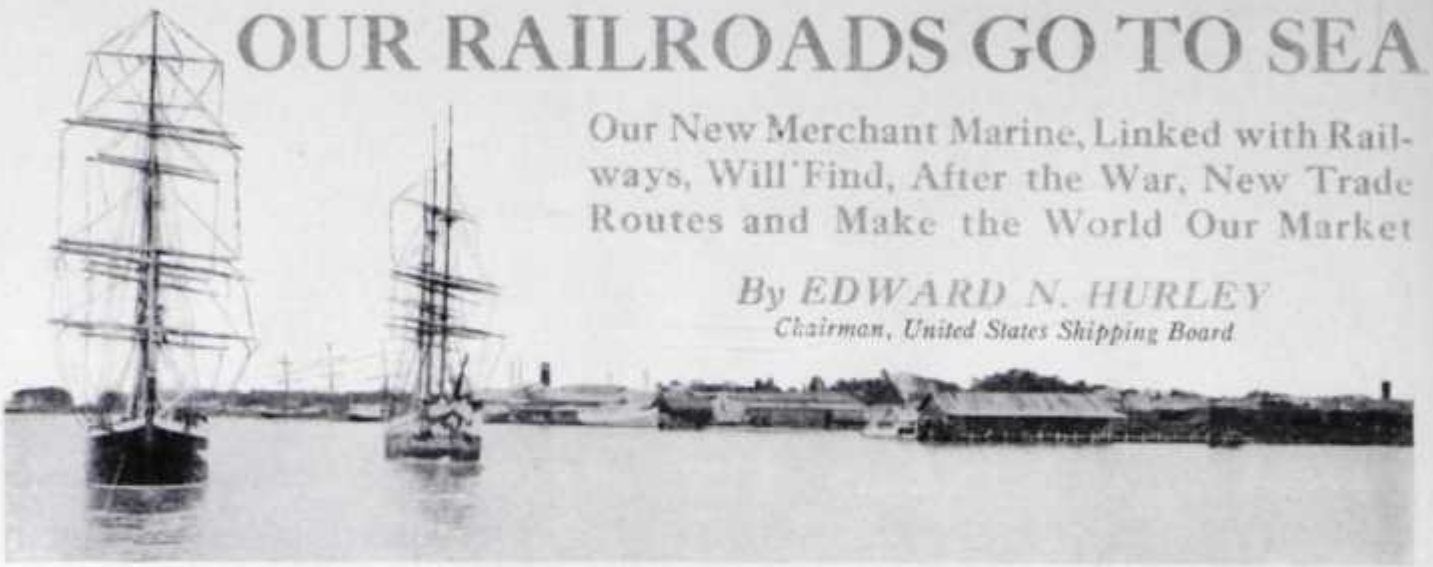
It has meant more than the carrying of the oil lamp to the corners of the earth.

It has been for us a cornerstone of modern civilization as well. If it has meant light for the remote peoples; it has meant for us the internal combustion engine and all that it implies—the automobile, the airplane, the motorboat, and hundreds of machines that do everything from crossing the ocean to turning the buttons on our coats. Thus oil has spread through the world—a lubricant for the wheels of civilization. And the can—well the can not only spreads this lubricant of civilization, but it continues its usefulness long after the lubricant is gone.

OUR RAILROADS GO TO SEA

Our New Merchant Marine, Linked with Railways, Will Find, After the War, New Trade Routes and Make the World Our Market

By EDWARD N. HURLEY
Chairman, United States Shipping Board



WILL we be able to operate ships as well as build them?

That question is asked me every day.

And my answer is:

We shall have to!

For at the end of 1920 we shall have $5,000,000,000 worth of ships, and they must be kept busy.

There is considerable apprehension in Great Britain about possible American competition with their mercantile marine, which has been sacrificed so grievously during the war. Some of the British shipping people seem to be anxious about their trade routes. However, we are not going to set up rivalry on Britain's trade routes but develop trade routes of our own which have long been needed, and take over German trade wherever we can.

Our ships will be operated as extensions of our railroads, which will no longer terminate at our seaboard, but be linked to American ships by modern port facilities. Our ships will take cargoes over American trade routes equipped with our own coal and fuel oil stations. With a shipping plant big enough for the application of characteristic large-scale American methods, there should be little doubt about operation at costs comparable with ships of other nations. Our manufacturers, farmers, merchants and exporters will reap the benefits of efficient operation because we are going to stabilize and standardize ocean rates, as railroad rates have been regulated by the Interstate Commerce Commission.

What Our Tramps Will Carry

LET the manufacturer, merchant, farmer, exporter and consumer investigate American ships just as though they were new railroads, and learn what they can do for each in his line.

What do we haul on our railroads?

The biggest item is coal, ore and other products of mines and quarries—650,000,000 tons, or more than one-half the traffic. Coal and ore figure largely in ocean traffic too, not only as sheer tonnage, but in settling the tonnage balances of international trade. We can ship coal to Brazil and bring back manganese ore, coal to Chile and bring back nitrates, coal to Argentine and bring back wool. Coal is an important item in the triangular trips of the profitable ocean tramp vessel of 6,000 to 10,000 tons, running at an economical speed of twelve knots. It takes a cargo of coal, say, to Chile, and then a cargo of nitrate to Australia, and comes home with a cargo of wool. Two-thirds of the world's mercantile tonnage is in tramp cargo carriers. Seventy per cent of Great Britain's merchant fleet consists of tramps, and three-fifths the bulk of her exports in normal times are coal, going out on the first leg of the triangle, while on the last leg come back wheat from Russia, Argentine, the United States or India, ore from Spain, timber and cotton from the United States, nitrate from Chile, phosphate from Florida, soya beans from Manchuria. In this traffic we have lumber to ship as well, something not so widely available to the British in striking tonnage balances.

A Leaf From Britain's Book

THE next big item of railroad traffic is manufactures. This includes many heavy products such as turpentine, resin, naval stores, iron, steel, petroleum, cotton-seed products, phosphate and fertilizer. These are commodities for tramp steamers. We have exerted little selling effort upon them in the past, but were content to fill the ships of other nations as per order, to facilitate their tonnage balances. With our own ships, and our own tonnage balances, we can really *trade* in these bulk commodities, seek foreign customers of our own, improve quality and service. Money for hauling them will go to our own people. We shall not be paying exchange interest and marine insurance premiums to other nations. This trade will enable our banks to establish foreign branches, make foreign investments, and encourage our insurance companies to get up branches abroad for marine and fire insurance, a branch of business that we have neglected.

These bulk manufactures in foreign trade are like heavy freight traffic on the railroads. We can organize them for efficient bulk handling like our Great Lakes traffic. We can trade them for raw materials of other countries. We can bank on them, balance our exchange with them, build up marine insurance business, and make them the basis for American investments in the industries, mines, agriculture and public utilities of other nations, particularly Latin America.

When we send a barrel of turpentine or cement abroad, and bring back a barrel of palm oil, carry the money both ways, insure both transactions, and have an investment in the nation that produced the palm oil, then we shall be operating ships on British lines, which are the best in the world for a great, lasting trade.

Then, there are manufactured goods like hardware, automobiles, machinery, office equipment, farm implements, wagons, food specialties. Here is the field which appeals most strongly to the American imagination. Here are the characteristic things produced by Americans, the high-wage products in which we excel. This is a trade built by salesmanship and service, which grows fast when service is good, and which will keep our converted troop ships busy on regular lines.

Finally, our railroads haul about 150,000,000 tons of farm products, ranging from heavy staples, like cotton and grain, down to the fancy products, like dressed poultry and cured meats.

The American farmer has a direct interest in ships, no matter what crops he grows, and should begin to study shipping as diligently as the business man. For we can give him a basis upon which to increase his output and profits through modern sales methods in other countries.

Take as common a product as the Irish potato, which we sell to tropical countries. For years we have been shipping small potatoes, thinking those people wanted nothing better. Now investigations show that they will buy large fancy potatoes and pay good prices for them—when they know about them. Our refrigerator ships, built to carry meat to the war zone, should enable us to build up with South America and the Orient as good a trade in fruit and perishables as we had with Europe before the war, because such farm products are like manufactured goods—they can be pushed by selling and service, and on fancy quality. Ships should give us back the great export cheese trade we had in the days of the Yankee clipper, and extend our markets for butter, eggs, condensed milk and all the dairy farmer's products.

"Return Loads" for Ships

WE mustn't think of these ships carrying goods only one way, but should figure now on the raw materials we can bring back in American bottoms. See what American industries have been built on rubber—more employment and prosperity for Americans have developed from rubber, plus American skill, than from most of our export trade in fine manufactures. That is one of the points about our ships that should be emphasized most—that they are all coming back every voyage, and can bring

prosperity with them in the shape of raw materials for the development of our industries.

And we must think of passenger traffic. Shipping Board plans provide for fine, fast passenger-and-cargo liners to every Latin American country. During the war our Latin American cousins have come to the United States in increasing numbers. We intend to make it easier for them to come, and very comfortable. But the balance of travel should be the other way—North Americans travelling to the wonderful countries and beautiful cities of Central and South America—Yankees getting acquainted with all the Americas. We shall have our own liners to Europe, replacing the German passenger ships that carried the lucrative American tourist. With American liners running to the Orient, Australia, Africa and elsewhere, and American trade being extended by our salesmen, our tourist should scatter his patronage over the globe instead of concentrating on Europe.

Think in Terms of Sh'ps

IT is time to be thinking about these ships in every American community, and to readers of THE NATION'S BUSINESS, which goes to the business leaders in live American communities everywhere, I should like to suggest that ships and shipping be discussed in each city, town and village in the United States, from the practical standpoint of what the people make or raise, what they have to sell, how local prosperity can be increased by selling local products to foreign lands.

During the past generation the American people have learned to think in continental terms, and many a community has attained prosperity by taking the whole nation for its market. During the coming generation, aided by our ships and a healthy shipping imagination, we must make the world our market, and deal as skilfully and regularly with Latin America, Australia, Africa or India as we do with Maine or California.

When our railroads go to sea, national boundary lines should be regarded simply as marks put on maps to make them look pretty!

During the first five months of this year we built 805,000 tons, and by the end of 1918 will probably be turning out 500,000 tons each month. Uncle Sam now has, in new ships, confiscated enemy ships, chartered neutral ships and others, a total ocean mercantile fleet of 7,000,000 tons. The U. S. Shipping Board program at present calls for the building of 1,856 ships for freight and passengers, with a total deadweight capacity of 13,000,000 tons, so that by the end of next year we may possibly have 20,000,000 tons of merchant shipping afloat—equivalent to the British merchant fleet at the outbreak of the Great War.

When we have prime American products to deliver to a foreign customer, it has been our practice thus far to call in the rusty ocean tramp steamer, turn the job over to a foreigner, and forget about it.

Imagine a great factory or department store with no delivery system for its customers. When goods are packed the shipping clerk steps to the door, whistles for any old expressman or teamster, and hands the goods over to him. That is what we have been doing in foreign trade. The more dilapidated the expressman's rig, and the cheaper his bid on the job, the better we thought it.

Meanwhile, the Briton and the German have been reaching some of the best trade in the world by the best ocean-delivery service. We started our jobbing teamster to South America with our goods and forgot all about him. He promised to get there as soon as he could. While he was on the road, the Briton and the German sped past him with fast delivery trucks of the latest type.

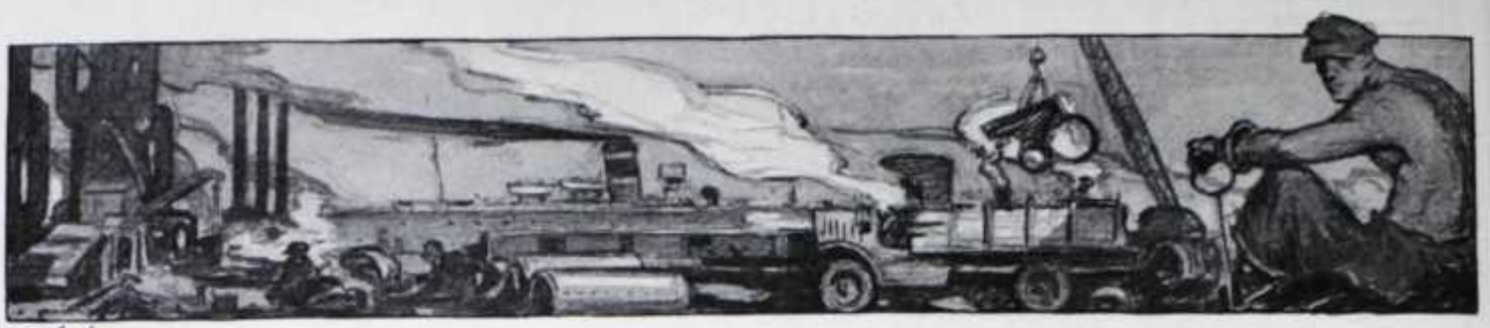
The Ill Wind True to Tradition

BUT the war is going to change all this. When we get done with our job of making the world safe for democracy, we will have 25,000,000 tons of merchant ships, or the equivalent of England's mercantile marine, which is the largest. Today, we are building ships for war. But each improvement in war shipping brings its corresponding improvement in merchant shipping. A year ago we would have been glad to get our hands on ships of any size or type, and our hopes were (*Concluded on page 34*)



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What is your emotion as you look at this bunch of German ships at Hoboken? Can you think of so many foreign ships of such a size at our piers—with complacency? When American business thinks ocean tonnage every day and dreams of sea-power by night—then and then only can we once more go down to the sea might ly in ships. Once we were at home on the seas,—our flag flying and our chanties sung upon every ocean. And the spirit of the Yankee clipper still lives. It has been working miracles on the Great Lakes. Again it is "climb'ng hills of seas Olympus high." Let us get the thrill of it—us landlubbers. Think of ships, ships, ships!



Trust "Busting" By Agreement

THE Sherman Act is expressly acknowledged to have its connections with a state of war. This appeared last January and again became evident in August.

If the Attorney General were successful in appeals that have been pending before the Supreme Court, he would cause, in arrangements for dissolutions, such large financing as the Treasury Department does not like to contemplate. Accordingly, the Attorney General early in January suggested that hearings in seven important cases should be postponed at least until the term of court that will open in October, 1918. The capital of the enterprises involved in these cases approximated $1,800,000,000.

Two of these cases, however, have now come to an end. The Supreme Court itself decided in May that the Shoe Machinery Company is not such a combination as to come athwart the law. On August 5 the Attorney General announced that in effect the Department of Justice and the Harvester Company had reached an agreement which would make unnecessary any further proceedings in the Supreme Court.

The Harvester case began in 1912. After eighteen volumes of testimony had been taken the lower court in August, 1914, held there was violation of the anti-trust laws in that competition among the businesses taken into the company was suppressed. The first order was that the company should be dissolved into at least three substantially equal and independent corporations. A subsequent amendment said nothing as to the number of new corporations, instead declaring the division should be into such a number of parts of separate and distinct ownership as might be necessary to restore competitive conditions and bring about a new situation in harmony with law.

The agreement which has now been reached, and which obviously indicates the extent of readjustment the government considers proper, affects but three of the six units of which the lower court said the company was composed. Rights to make the three kinds of harvesting machinery manufactured by these units are to be sold within a year after the close of the war to a responsible and independent manufacturer or manufacturers of agricultural implements. The plants of two of the units are likewise to be sold. Finally, the company agrees not to have more than one agent in a town.

The decision of the Supreme Court in the Harvester case promised to be interesting, as it probably would have interpreted the Sherman Act as applied to a combination among the units of which competition ceased, although there was no proof of actual detriment to the public. It is still possible this question will be discussed in another case that is before the court. The importance of the questions before the court in the Harvester case is clear from the unusual circumstance that the court heard arguments in 1915, asked that the whole matter be reargued, heard arguments a second time in March, 1917, and once more, being still uncertain about the proper conclusions, asked a third argument of the case. This third argument, of course will not now take place.

Prunes!

THE prune is a versatile fruit. The War Department certifies that its place in the army's ration has been won on merit, and as points of excellence cite its food value, its fruit value, its tonic value, and its value as a confection. The official statistician estimates that the army this year will eat 1,100,000,000 prunes,—a figure which would apparently make prunes about as important numerically as cartridges. As a matter of fact, Germany long ago testified to the prune's superior qualities. In 1913 it bought at least two billion of our prunes, to keep to the same unnatural statistical method of dealing with prunes. It is even possible that German submarines, the vagaries of which in sinking fishing schooners and empty coal barges in preference to more substantial ships of the sea are otherwise inexplicable, have in reality been looking for prunes. However this may be, prunes will have an important part in deciding the war.

In Any Language It Means "Ship Now"

APHORISMS are coming to the surface as if we had reverted to the homely days of our forefathers who wore coonskin caps and buckskins. "Summer never fools a squirrel" is the admonition the Canadian Railroad Commission has sagely put before its compatriots. Our own regional directors are less given to homespun; they speak sedately of "summer deliveries of next winter's supplies," but they have the self-same idea. Whatever the phrase, the moral is plain: move in the summer and early autumn every pound of goods for the winter on which you can lay hands and for which you can find transportation; whatever new and transcendent successes our transportation system may achieve, movement of ordinary merchandise is certain to be difficult in the winter when bumper crops, fuel, troops, and war supplies will test the capacity of the railroads.

Unfair Competition

UNFAIR methods of competition appearing in cases actually decided by the Federal Trade Commission in the last month came under the heads of maintenance of resale prices, commercial bribery, misleading advertising, lottery coupons, and price discrimination.

Premium coupons that are redeemable in articles of unequal value and determined by chance have the taint of lottery, in the opinion of the Commission. Not all premium coupons are objectionable in this score, however; for the Commission dismissed complaints it had entered against four companies.

Premiums of another sort,—those offered to jobbers on condition they do not handle articles made by a competing manufacturer,—are inducements of an improper kind, in the Commission's estimation.

Maintenance of resale prices the Commission held improper under existing law where a manufacturer sought to control the prices at which jobbers sold to retailers, even though the manufacturer did not attempt to govern the retailers' prices. In the same case the Commission made it clear that its decisions do not prevent manufacturers from printing retail prices on packages or in advertising, and from designating in literature the prices he considers proper. Agreements for resale prices, refusal to sell except on condition that prices are maintained, and discriminations in prices against dealers



not maintaining prices are the things the Commission disapproves. In another case the Commission dismissed a complaint, founded upon a manufacturer's refusal to sell to a particular dealer; the Commission said the manufacturer was justified because of the dealer's well-known reputation as a cutter of prices.

False statements about prices come under ban. Orders to cease were issued against a candy manufacturer who falsely advertised he sold at cost or less, and against a mail-order house which alleged incorrectly it sold coffee below cost. Other false statements in advertising merchandise are likewise considered unfair,—such as declarations that large purchasing power gives ability to sell sugar at lower prices than competitors, that special representatives personally supervise the picking of the advertiser's tea in Japan, and that coffees are purchased directly from the best plantations in the world. In other words, in "puffing" his wares a merchant may show enthusiasm but he must not indulge in reckless imagination.

Buyers can no longer depend for their cigars upon the munificence of salesmen; for the Trade Commission, while unable to reach the recipients of the cigars, tells the salesmen's employers that use of gratuities in any form,—cigars, refreshing drinks, and theater tickets as well as money,—is commercial bribery and is not to be used as a means of getting business.

Using Fritz's Ideas

ENEMY-OWNED patents are being steadily licensed for use by American manufacturers. During July licenses were issued to three manufacturers. They covered formulae for medicinal products, a device for embroidery machinery, and magnetos for airplanes.

Puzzle: Find the Defendant

SLAUGHTERING and meat-packing was the premier industry of the country, measured by value of products in 1914, when the Bureau of the Census took its most recent survey of all our manufacturing businesses. At the same time it was but thirteenth in the value it added by its processes to the materials it received. Accordingly, cost of materials represented a large proportion of the total value of products, and cost of manufacture a relatively small part,—a situation which marks off the meat industry from the manufacture of agricultural machinery or the making of electrical equipment, for example.

The raw material of the business of slaughtering and meat-packing,— the animal on the hoof,—has followed most other mundane things, and ascended in price. Between 1911 and the beginning of 1918 the average value of cattle on farms increased by exactly 100 per cent, and 31 per cent between 1914 and 1918. The high price for sheep at Chicago in 1914 was $7 a hundred pounds; in 1917 it was $19. A hog that in 1913 was worth $9.86, or $10.40 in 1914, or $8.40 in 1916, the Department of Agriculture estimates would have brought $19.51 on January 1, 1918.

The products which we usually recognize as coming from the industry have risen in price to a point that causes one to reflect upon the waning purchasing power of a dollar, but they seem rather to have lagged behind the raw materials. Retail prices show that for round steak the hypothetical "average" American housewife paid 23 cents a pound in 1914 and approximately 34½ cents on April 15, 1918, a difference of 50 per cent. If she chose bacon the comparative prices were 26.7 cents and 49½ cents, or an increase of 85 per cent. Only when buying lard would she find an increase of 100 per cent or more; for lard the prices were in the years in question 15.6 cents and 33 cents. For the products which the public does not at once recognize as coming in important quantities from the industry there is much the same story; packers' hides which brought 19.4 cents a pound in July, 1914, fetched 26.3 cents in March, 1918, and oak-sole leather, with a market value of 47½ cents wholesale at the former date was quoted at 80 cents this spring. Because of the multiplicity of products, close comparisons are difficult, but on the whole the figures of such government agencies as the Department of Agriculture and the Bureau of Labor Statistics would seem to indicate that advances in prices for the industry's products were not greatly out of proportion to increases in prices for its raw materials,—an unusually large factor in the cost of the products.

But there is "something rotten in the state of Denmark," the Federal Trade Commission has told the President, according to its announcement of August 8. The gist of the Commission's opinion seems to be that the distemper which it wants rooted out is long-seated. In other words, it is not a war-born difficulty. Nevertheless, just when the Food Administration removes its restrictions upon our use of meats the Commission, by the three of its members who are serving out of a statutory membership of five, is courageous enough to run the hazards of applying war-time remedies to our biggest industry, and one of the most essential. When considering other industries, the Commission has filed its complaint, and used its own powers, to stop unfair methods of competition that should cease, in the public interest as the Commission sees it. It does not indicate whether or not it will in the case of meat-packing proceed in this manner with respect to such concrete faults as it sets out. Neither does it disclose what existing laws are to be invoked against the "monopolies, controls, combinations, conspiracies, and restraints of trade" of which it says it has conclusive evidence as to the five large packing-houses which, according to its (*Continued on page 36*)

FAME REDIVIVUS

THE ghosts of the old sea captains have arisen, the glory of the clippers has returned. Once eclipsed, and mourned tunefully by poets, the fame of the sailing vessel is shining again. When the war broke out, the four-masted steel bark Viking was leading the inadventurous life of a training ship for future officers of the United Steamship Company of Copenhagen, owners of the Scandinavian-American line. There was a call for ships, steamships, sailing ships, any ship that would float. The Viking was put in service as a freight carrier between North and South America. Recently she arrived in New York from Rio after having shown her heels to the steam vessels which left port on the same day that she did. More than 14 knots an hour stand to her credit, a reminder of the days when the clipper was queen of the seven seas.

WHEN THEY COME HOME

Fighting, Our Soldiers Dream of Land and Homes Of Their Own We Can Make Their Dreams Come True

By FRANKLIN K. LANE
Secretary of the Interior

THE period of reconstruction and readjustment in America after the war will present many problems to the nation. But of first importance will be our returning soldiers from overseas. When this great war ends, we may have as many as five million men under arms. Likewise we may have at least half that number of war workers engaged in munition and similar war industries. If we are not to be submerged industrially by labor which we can not absorb, we must prepare opportunities for the disbanded armies and the dislocated war workers. A large number of these men will find that the work they were drawn from in answering their country's call, whether it was from farm, mine, or shop, does not await them upon their return. Many old industries will have disappeared, and new ones will have sprung into being. Machinery will have made many changes and new processes will be in force. The entrance of women into industry and business life on a large scale will have made a new industrial and commercial world. In order, then, to stabilize conditions at the end of the war, we must prepare in advance. The handmaid of wisdom is foresight.

Two Battles: One Uniform

GREAT numbers of our service men will return to us with the strength and energy that war-stress gives. Many will find it difficult to adjust themselves to their life before the war. For that reason pursuits and occupations out on the land will meet their hopes and desires.

Our people will of course feel indebted in a high degree to the men who have served in this great war, and particularly to the veterans from the fields of France. They will feel without question that there is nothing too good in America for these heroes.

America has always been grateful to her soldiers. From the Revolutionary War days, she has given special recognition to her defenders. And she has not been niggardly in her policy of reward. It goes without saying, therefore, that the Republic will in this day likewise make particular provisions for her citizen soldiers.

After the Civil War, one of the solutions of the returning soldier problem was the law which provided for soldiers' homesteads. Under the original homestead law, a citizen of the United States could obtain one hundred and sixty acres of public land in fee after a residence on the land for five years, together with the making of certain improvements. By the soldiers' additional law, passed in 1872, a Civil War veteran who had obtained a homestead of less than one hundred and sixty acres, could secure land to make that amount, and the requirement of residence and improvement was waived. These two measures, the Lincoln homestead law, and the soldiers' additional homestead law—probably did more to aid the constructive development of America than any similar laws in our history. Never was better use made of land, either, because not only did it solve the problem of relocating into civil life the great armies disbanded at the end of the war, but it contributed likewise to the internal development of the nation. There is no picture in American history more stimulating than that of the veteran of the Civil War, a few months perhaps removed from battling to preserve the Union, battling again with the wilderness in his blue faded army clothes, tanned and hardy from his army life, and carving out of it a home.

Our experience in the past points clearly a road which, in part at least, we can travel. We know from the lessons of wars at home and abroad that fighting men when peace comes turn peculiarly to farm life. In a literal sense, they elect to beat their swords into ploughshares. Lord Northcliffe, in his experiences at the front and many talks with British Tommies, found that while the men in the dugouts talked of many subjects, the possibilities of land after the war was a general topic.

While we think of the success of our plans at the end of the Civil War, we must not forget the present problem can not be so met. We do not have that bountiful public domain today, and the number of men will be greater by far. But we do have millions of acres of arid, and swamp, and cut-over lands throughout the country which can be made available. And one of the hopeful things about these lands is that they can be reclaimed and made available as farm homes. That would be one of the tasks which would appeal to many of our returning soldiers. He would by this work be able to earn his own living, and at the same time would be preparing land which he and his fellow workers could take up later as homes.

The projects which would reclaim these waste lands would be in the highest sense public works. No better public works could be undertaken. The reclaiming of farm lands will return to the public in cash their entire cost, to say nothing of their permanent value to the country, and it will partly solve the food problem which we and the balance of the world will face at the close of the war.

We have the land. In the United States proper it is estimated that there are one billion nine hundred million acres of land, more than sixty per cent of which is cultivable. We have not more than six hundred million acres in farms actually cultivated. In some of our sections which possess wonderful agricultural possibilities, as the figures will show any candid man, the development of the farm has been neglected.

We Must Be Ready With a Plan

TO meet the problem of providing opportunity for our returning men, the investigation of our land possibilities is but the first step. There is much work to be considered. That is a certainty. Is it not then wise to prepare in advance a carefully thought-out working plan toward that end? There will be much preliminary constructive work necessary—that is a requisite in any broad plan. That is why I recently asked Congress for an appropriation of $1,000,000 to undertake this work. And in outlining my plan to investigate, study, and survey our land possibilities, I said in part:

". . . And all this should be done upon a definite planning basis. We should think as carefully of each one of these projects as George Washington thought of the planning of the city of Washington . . . I do not mean by this to carry the implication that we should do any other work now than the work of planning. A very small sum of money put into the hands of men of thought, experience, and vision will give us a program which will make us feel entirely confident that we are not to be submerged industrially or otherwise by labor which we will not be able to absorb, or that we would be in a condition where we would show a lack of respect for those who return as heroes, but who will be without means of immediate self-support."

What Our Allies Are Doing

I HOLD the hope that Congress will give me the money to undertake this preliminary work. In that event, I will later present to Congress definite projects for the development of our land by the returned soldier. It is my opinion that we ought not to postpone beginning this work on a broad scale. Because not only ought we to be prepared to furnish occupations and homes for our soldiers and sailors returning after the war, but we ought to be likewise ready for the day, near at hand, when a number of our men, upon returning from overseas service will be anxious to take up a farm home.

Many of our Allied nations have in advance worked out plans of providing land for their returning soldiers. This is particularly true of Great Britain and her colonies. In the United Kingdom, under legislation enacted by Parliament, land has been acquired in England, Scotland and Wales for returning soldiers. A large program is also now under consideration by the Ministry. Canada has particular provisions applicable to her crown lands, and in nearly all the provinces special legislation has been enacted for returning ex-service men. In some instances returning men are being placed on the land. It is my information that under a liberal undertaking the Canadian Pacific Railway has opened up railroad lands in three of the western provinces, and about four hundred ex-service men and their families located thereon. The Commonwealth of Australia last year appropriated $100,000,000 for the purchase and improvement of land for homes for its men at the end of the war. The states governments of New South Wales, Victoria, Queensland, South Australia, and Western Australia have enacted legislation. How far these programs have advanced is indicated by the fact that Queensland has a large settlement of returned soldiers at Beerburrum, about forty miles from Brisbane. At Beerburrum more than fifty thousand acres, seventeen thousand acres at Pikedale, and more than one hundred and fifty thousand acres at Innisfail have been set apart for returning soldiers. New Zealand also has a broad and comprehensive plan. Of course the men that are now being returned and who are settling upon these lands are discharged service men.

The lands available for our returned men naturally divide themselves into public and private lands. While lands that are in public

ownership have much the easier approach for public development, we do not have sufficient lands remaining in the hands of the government to meet this problem. Perhaps it is natural to turn to the federal government in asking for land for soldier service. Uncle Sam has always been the beneficent and kindly parent. Fortunately in the area of arid lands in the seventeen western states we do have from twenty to thirty million acres of which it is believed many millions can be irrigated. I believe the development of these lands offers a great opportunity for homes for a large number of our men. Their development would also contribute to the well-rounded development of the west. A large part of this arid land which can be made the most fertile land in the West lies in Arizona and New Mexico, Nevada and Utah, southern Idaho, central Oregon, eastern Washington, and much of Montana and Colorado, and more of Wyoming and Nebraska. The development of these lands will make these states into more sturdy commonwealths—and will add sinews to the strength of the nation.

The proposed development of these arid lands—now peculiarly available to give a home to the veteran with its appealing life in the open—is no new idea and no new experiment. In my last three annual reports I have urged the wisdom of the greater development of our country through the reclamation of millions of these arid acres. And the record of the Department of the Interior in reclaiming about 1,650,000 acres, with the thousands of happy farm homes resultant thereby, is a record of success and practicability.

A Challenge to Our Engineers

IN the basin of the great Colorado river are nearly three million acres of irrigable land. A large part of this land can be reclaimed, as a great deal of it already has been reclaimed, by taming this great river. The construction of proper storage works will impound this mighty volume of water for use on the land, and it will likewise make possible the development of millions of water horsepower. The water power alone would be a great benefit for irrigation, and mining, and manufacture.

This Colorado Basin is a great project upon which surveys and studies are now being made. It is only one of many reclamation possibilities, because I am glad to say the Reclamation Service has plans for additional surveys of other projects in various parts of the West. If these preliminary investigations are completed, we will have a program which can immediately employ great numbers of our men at the war's end.

The problem of our swamp and overflow land reclamation is a national problem. It is estimated that we have nearly eighty million acres of these lands. They are distributed widely throughout the eastern and central part of the country, but nearly all the states contained swamp area, excluding the arid land states. Of course it is difficult to estimate the swamp lands that can be drained, but it is believed that as much as fifteen million acres can be made into farm lands. The drainage of the Mississippi Delta has long been a challenge. I believe the American engineer will one day accept that challenge and overcome it. And its fertility, as we know from the successful farms of the La Fourche Bayou in Louisiana—settled and reclaimed by the Acadian French more than a century ago—will be as great and as enduring as that of the great valleys of the Yang-Tse-Kiang and Hoang-Ho in China, and as that of the lowlands of Netherlands and of the fens of England.

New Ideals to Meet New Conditions

THE reclaiming of our cut-over lands is a gigantic problem in itself alone. We do not know with any degree of definiteness the available amount of these lands in the United States. And we will not know until surveys and investigations are made. Great areas of these lands lie particularly in the Eastern and Southern states, in the Lake states, and in the Northwest. The conversion of millions of acres of these lands into farm homes is a practical possibility.

In the consideration of this whole problem of after-war development and reconstruction, America must have vision. Should we not have new ideals to meet new conditions? The time to begin planning is now.



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Land is our fundamental opportunity for rewarding our returned soldiers. It has been proven that fighting men, when peace comes, in a literal sense, elect to beat their swords into poughshares. Lord Northcliffe, in his experiences at the front, found that the men in the dugouts talked often of the possibility of owning land after the war. Hundreds of thousands of teeming acres like those shown here were opened by military homesteaders after the Civil War.



A White List of Business Books

The Investor's Library

By JOHN COTTON DANA

WHEN you have $1,000, or it may be $100,000, to invest, do you go to your broker, listen to his suggestions and then leave it to him? Or are you one of those who hear of something good, watch quotations on it for a while, and then make up their mind to buy, or not to buy?

Has it ever occurred to you that the facts behind stock market prices are accessible? That it would be worth while to know the foundations on which your possible investment may rest? The broker does not necessarily get a knowledge of these facts from his own experience alone. The figures and reports are in print from which you can get at the facts behind stocks and bonds, the kinds of facts you would wish to know if you were to consider becoming a partner in a going concern.

Study the Figures and Reports

THIS is the information about securities that is most widely known. Prices at which stocks and bonds are sold on exchanges appear in the daily papers and in many other places. The financial dailies, weeklies and monthlies are known to all who follow investments closely.

Here are some of the foremost in this field:

Journal of Commerce Bulletin, daily. Alfred D. Dodsworth, 32 Broadway, N. Y., $12.

Commercial and Financial Chronicle; includes bank and quotation section, railway earnings section, railway and industrial section, bankers, convention section, electric railway section, state and city section. Weekly. William B. Dana Co., 138 Front St., N. Y., $10.

Annalist; a magazine of finance, commerce and economics. Weekly Times Co., 229 W. 43rd Street, N. Y., $4.

Investor's Pocket Manual. Monthly. Financial Press, 124 Front Street, N. Y.

Economic World. Weekly. Chronicle Co., 80 Wall St., N. Y., $4.

Economist. Weekly. Economist Pub. Co., 108 So. LaSalle St., Chicago. $5. Specializes in Chicago interests.

Statist; a journal of practical finance and trade. London. Weekly. E. C. London. 6 d a copy. 51 Cannon St.,



Market Quotations Not Enough

IF you intend to invest money in the stocks of a certain corporation, you want to know more about it than market quotations tell you. This information about all important stocks sold on the several exchanges in this country you can get from the books, issued annually, listed below.

Moody's Manual, Moody Manual Company, 33 Broadway, 3 v., $25. The first volume gives "Railroads," the second "Public Utility" corporations, and the third all others under the title "Industrials."

Poor's Manual, Poor's Manual Company, 80 Lafayette Street, N. Y., $25. In three volumes like Moody's.

These two sets of books give the main facts about each company and its subsidiaries, such as: names of directors and officers, dates of annual meetings, exchanges on which stock is listed, history and development of company, location of property, report showing financial condition for several years, income account, dividends paid, production figures, operating and expense ratio and all issues of bonds with interest, date redeemable and the necessary security.

Similar to the Poor and Moody Manuals, but not as full, is the *Manual of Statistics; a Stock Exchange Handbook*, published by the Manual Statistics Company, 56 Pine St., N. Y., $5.

The Stock Exchange Official Intelligence, annual, published by Spottiswoode, Ballantyne & Company, Ltd., 1 New Street Square, E. C., London, 50 S. Information about the stocks traded on the London Stock Exchange. Gives amount of capital, dividends paid, and bonds issued, with description; in most cases does not give financial report of the company for a period of years as do the manuals of Poor and Moody. Includes South American and other foreign securities.

Moody's Analyses of Investments, part 1, Railroads, part 2, Public Utilities and Industrials, and part 3, Governments and Municipalities, published by the Moody's Investor Service, 35 Nassau Street, N. Y., $40 per set or $15 per volume. These give most of the information contained in the books already described, and also more financial details as to earnings and production for the previous ten years, and Moody's rating of each bond and kind of stock issued.

The Fitch Bond Book, Fitch Publishing Company, 47 Broad St., N. Y., $15. Describes all important corporation and railroad bonds issued in the United States and Canada, and gives the following information,—when and where interest is payable, by what department issue of bonds is authorized, security for the bonds, how and when redeemed, on what stock exchange listed, by whom bonds are for sale in various cities, and, if issued by railroads or public utilities, franchises owned by them. Indication is also given of such bonds as are authorized by various states as legal for investment by savings banks. This information is valuable to the less experienced investor.

The Fitch Record of Government Debts. Fitch Pub., 47 Broad Street, N. Y., $10. Gives similar information for municipal, state and federal bonds of this and foreign countries.

Obsolete American Securities, by R. M. Smythe, 1904-11, 2v., 452 Produce Exchange, N. Y., $3.50. Worthless and semi-worthless stocks and bonds listed by name of corporation.

Some of these give facts, history, financial reports, etc., others forecast economic and financial development and make recommendations to investors and business men. The former supply to subscribers a card service. The cards give information like that provided in yearly manuals, but are replaced by new cards as current information is received during the year.

When markets are unsettled, as they are now, the latest news about corporations is needed by many. Changes occur frequently, many bond issues are made, and annual volumes are out of date as to many corporations in a few weeks. Development is rapid, property is purchased, new plants constructed, and all these affect the value of both bonds and stocks. Part of the service supplied by the organizations we are describing consists of weekly, monthly and daily "news-letters" or "news-sheets." The value of these up-to-date reports is obvious. Sheets giving amounts of dividends and exact dates on which they are paid are provided daily in some cases.

Guides to the Future

THE organizations which make economic and financial forecasts base them on the study and analysis of many economic factors, they give information and advice on these lines —stock and bond recommendations; analysis of business is by districts and by trades; commodity price forecasts; analyses of financial, labor and business conditions; stock and bond trend; personal service by reports on subjects of interest to subscribers as requested.

The names and addresses of a few of the organizations supplying the kinds of service we have roughly outlined are:

Poor's Manual Company, 80 Lafayette Street, New York City.

Standard Statistics Company, 47 West Street, New York City.

Moody Manual Company, 33 Broadway, New York City

Moody's Investor's Service, 35 Nassau St., New York City.

Babson's Statistical Organization, Inc., Wellesley Hills, Mass.

Brookmire Economic Service, Inc., 56 Pine Street, New York City.

Prices are not given for these services as the price varies according to amount of service subscribed for in most cases.

The Business Branch of the Newark, N. J., Public Library subscribes for one of these services, the annuals mentioned here and some others at an annual cost of $300.

Sizing Up the Company

WHEN you look up a corporation and find that for ten years it has paid a dividend of 5½ or 6 per cent on the common stock, that the common stock has earned an average of 9 per cent each year, and that the interest paid on bonds has (*Concluded on page 42*)

BY TROLLEY TO BERLIN

The Unromantic Street Car Can Help Our War-Burdened Railroads if It Be Allowed More Credit and—Less Politics

By A. BELLEMAIN COLE
Statistical Bureau, American Electric Railway War Board

FOR nearly a century steam has moved our freight; more recently gasoline has been hauling many thousands of tons of freight in the direction of the battlefields of France. Electricity, the mystery of the ages, has been neglected as a means of hauling our heavy burdens.

The motor truck, which is doing wonders in the army transport service, must not be considered as a cure-all for transportation. There is a veil of romance surrounding it. The street car is less romantic, but consider—

The electric railways are able to haul millions of tons of freight on thousands of miles of rails over which now hardly moves one car per hour.

The Chamber of Commerce fully realizes the importance of the electric railway as a valuable utility and has asked authorities to give prompt and sympathetic hearing to utility petitions for assistance and relief due to the unusual financial conditions. Increased rates are of vital importance to the utility, but even more important to the government is the development of electric railway freight haulage.

TO relieve freight congestion and fully realize the potential possibilities of our existing transportation facilities, the latter should be properly co-ordinated through:

Elimination of duplication of service.

Universal interchange of freight rolling stock between steam and electric lines.

Use of "Electrics" for short haul; Steam Roads for long ones.

Motor trucks to serve industrial and farming centers lacking rail facilities; to be available for unloading freight cars arriving at terminals, releasing them for immediate reloading.

Man-power conservation by use of power driven labor-saving freight handling equipment for loading and unloading cars.

Federal financial aid to those electric railways which, with assistance, could carry more freight.

One Electric—Five Steam Cars

THE spirit of the age is conservation. The prodigal use of man-power cannot be permitted. Millions of tons of freight can be moved by the electric lines, as with highway transportation, with a comparatively slight increase in men. The handling of 500 tons of freight by motor truck would require at least 100 men driving 100 five-ton units; but by electric railway it would require a minimum of three or four men. This same train crew could easily handle four times as much freight. The electric railway requires but one man for every thirty to handle the same tonnage by motor truck, not counting the extra men needed to maintain and repair the highways. Investment in rolling stock alone, to haul 500 tons of freight is 1 to 10 in favor of the electric railway, including electric locomotives.

Inherent operating conditions on electric railways permit the realization of potential possibilities that are of great significance in this day of car shortage. One electric freight trailer car in service is equivalent to five steam road freight cars, and one electric motor car, which may haul several trailers, to three steam freight cars. This is conclusive evidence of the high load factor.

It is unfortunate that an electric railway investment of nearly five billions of dollars, representing a mileage equivalent to practically one-seventh of the steam railroads of this country, many miles of this available for freight, should be used only to 50 per cent of its earning power. In many localities shippers need the use of this valuable carrier. It should be developed; it should be fostered and released from some of the restrictions that prevent full use of its facilities.

Mr. P. H. Gadsden, Resident Member of the American Electric Railway War Board, and President of the Charleston Consolidated Railway and Lighting Company, Charleston, S. C., recently said that the possibilities of electric freight haulage have hardly been touched and the effort to transport more freight is a national duty.

Recently, a prominent manufacturer told the Transportation Board of the Cleveland Chamber of Commerce that the same effort applied to secure local shipments via the electric railways would be of greater benefit to the country than if handled by the motor truck. Further, that the real solution in territories served by electric railways lies in the utilization of their service, as the efficiency of the electric road undoubtedly can be made greater than is possible for any system of highway transportation for distances exceeding 20 miles. The science of road building has not produced roads that stand up under the heavy motor truck. Why experiment, when the maintenance of electric roads can be figured accurately?

"Roped and Tied"

GEORGE ADE'S "Fable of the Common Carrier and the Gratitude of the Public," has the moral: "Go easy with capital until you have it roped and tied." It well illustrates what the electric railroad gets after securing its franchise. Since trains were running according to schedule, there was no longer any reason for waiting, so the citizens hiked over to the court-house and began to file damage suits. The town council started in to pass ordinances, and the board of equalization whooped up the taxes.

Horny-handed jurors hung around the circuit court-room waiting for a chance to take a wallop at the soulless corporation.

When the promoter came along on a tour of inspection, the only person down to meet him was the sheriff.

Children in the public school practiced the new oval penmanship by filling their copybooks with the following popular catch-line: "When you have a chance to soak the railroad, go to it!"

Restrictions that are now preventing, in many cases, electric railways from hauling freight cars through streets are cheating the nation out of one more effective weapon against Kaiserism. There are too many of these heritages of pioneer railroad days. Money spent to date by many electric lines for paving alone would have purchased rights-of-way so that electric freight haulage could have developed unhampered.

However, the actual everyday ways of using the electric railway to move more freight and help win the war are humanly interesting.

Long before the war the electric railway had shown its ability as a freight carrier and valuable public servant. For years the railroads of Iowa have been hauling the grain and stock from our prairies. Notably among these are the Fort Dodge, Des Moines and Southern Railroad, Inter-Urban Railway of Des Moines, and the Waterloo, Cedar Falls & Northern Railway. Each of these lines is the equivalent of a steam railroad with a trolley wire over it.

Pig's Trolley to Market

THE Waterloo, Cedar Falls & Northern Railway is the pioneer electric line to arrange with the steam railroads for the interchange of freight. As a result, more than 70 per cent of the switching from steam roads entering Waterloo with its 155 factories is performed by this line. Similarly, several steam trunk lines entering Cedar Rapids are fed by the electric line since it serves a northern territory that does not enjoy adequate steam service.

In the Central States where the electric railway has long been considered as one of the most important factors in economic development we find the electric lines carrying all classes of freight commodities.

Indianapolis, the time-honored interurban center of the country, now has freight handling facilities completed and under construction that would do justice to many a steam road freight terminal. One item of great significance, when considering the electric line as a factor in relieving freight congestion and alleviating public suffering, is of timely interest. Last winter, due to car shortage on steam lines, it was impossible for farmers to secure cars for hauling their hogs and cattle to the Indianapolis market. The Food Administration appealed to the electric lines, and during the winter months, over 1000 carloads of hogs were brought to this great market of the Middle West. At the price of pork last winter it would have been highly unprofitable for this stock to smother to death due to lack of transportation facilities. The usual procedure last winter was as follows:



A day or two in advance the farmer notified the interurban, and at a specified time the electric freight train of two to six cars was awaiting. Two or three hours later the shipment was at its destination and the farmer with his check, in another two or three hours, was on his way home planning his next shipment via the "electric"

A day or two in advance the farmer notified the interurban, and at a specified hour on a certain day the electric freight train of two to six cars was waiting for him. Two or three hours later the shipment was at the stock yards, and the farmer with his check, in another two or three hours, was on his way home via the "electric." Hogs, generally lost about five pounds each in shipment by steam, but the new way eliminates this loss on account of the short time in transit, which practically balances the freight charges; hence, the farmer figures free transportation. Handling stock is the least desirable freight, but illustrates that electric lines can perform valuable service. What greater value would they be, fully utilized under normal conditions!

Fighting Cold and Hunger

LAST winter, many of the electric railways were the only transportation agencies moving a wheel during and after a severe storm, including steam trunk and motor truck lines.

The experience of another line is significant. The Chicago, North Shore and Milwaukee Electric Railroad, which skirts the western shores of Lake Michigan between Chicago and Milwaukee, is in an excellent position to serve the numerous fast-growing industries located along its lines. The shippers of this territory already recognize the great value of the reliable service rendered by this line. The traffic has grown so fast that even with the erection of new freight houses many of these are not large enough to take care of the ever-increasing quantities of freight offered for transit.

Great relief would be easily possible for freight congestion on the "North Shore" route between Chicago and Milwaukee, were the plans for handling freight over the elevated and surface lines during the night approved by Chicago City Council. With the extension of freight hauling in the Chicago district, this electric line would not be restricted to local freight, but could interchange traffic with other lines radiating from Chicago.

The invaluable worth of this line is interesting. Not only did it take care of passengers last winter, but when the steam railroads were tied up, meat, milk and coal were hauled to many storm-seized towns via the "electric," avoiding what might have been a real famine.

Ninety cars of coal were delivered to the Great Lakes Naval Training Station just before one storm broke in all its fury. This timely assistance saved the great training camp with its 20,000 Jackies from suffering for lack of fuel. The same station was also threatened with a bread famine, but a carload was shipped by the electric line.

The industrial center served by the Detroit United Railway System could be benefited to a greater degree even than at present, from the fast service performed by this line, through closer attention to the proper routing of shipments. In the Detroit territory companies manufacturing air plane motors have often been obliged to make shipments by express, because of not being able to get them over the steam lines fast enough. As the Detroit United through-freight service reaches two important aviation fields, those at Mt. Clemens, Michigan, and Dayton, Ohio, a very rapid transit is possible, which is less expensive and is practically express type of electric freight operation. Although the steam roads have sidings into the aircraft plants, there is no reason why the electric cars of this system could not be "set out" at these plants for such shipments, and help speed up aircraft production.

Camp Dodge, Iowa., with accommodations for 25,000 troops, virtually a city, was constructed from material hauled in 10,563 standard steam road cars during seven months over the 12-mile line of the Interurban Railway of Des Moines. This included the transportation of building materials, supplies, food, munitions, cattle and horses.

At the time this camp was established it was thought impossible for the electric line to handle all the traffic. However, neither of the two steam lines, the furthest of which was only three miles away, cared to extend their lines into the camp. Hence, all freight had to be interchanged with the electric line. The service has proved satisfactory beyond all expectations.

Where the "Electrics" Can Help

A FEW specific instances where electric lines can help in relief of traffic congestion are given in order to show how the elimination of the needless duplication of service and establishment of universal freight interchange would be steps in the right direction.

Union Traction Company of Indiana could handle more l. c. l. freight, relieving the steam roads in this district. Here is a noteworthy example in that every one of the 400 miles of this system is paralleled by steam railroads. The roads directly affected are Lake Erie & Western, Big Four, Pennsylvania, Clover Leaf, Wabash, Chesapeake & Ohio, Central Indiana and Monon.

Chicago, Lake Shore & South Bend Railway could care for practically all local freight between its terminals, West Pullman, Ill., and South Bend, Ind., relieving the Baltimore & Ohio, Chesapeake & Ohio, Grand Trunk, Michigan Central, New York Central, Pennsylvania and the Wabash.

Detroit United Railway could handle both carload and l. c. l. freight over its entire system, thereby relieving the Michigan Central, New York Central, Grand Trunk, Detroit & Toledo, Canadian Pacific, Detroit, Toledo & Ironton, Detroit Terminal, Wabash, Pere Marquette, Ann Arbor, Baltimore & Ohio, Hocking Valley, Pennsylvania, Wheeling and Lake Erie, Toledo & Ohio Central, Toledo Terminal, Detroit, Bay City & Western and Cincinnati Northern.

Interurban Worlds to Conquer

LAKE Shore Electric Railway is an important link in through interurban service between Cleveland, Sandusky and Toledo, forming an important connection for freight in and out of Detroit. This railway could handle all local business now carried by the New York Central, Nickel Plate, and Pennsylvania Railroads between Cleveland and Sandusky and other points.

Toledo & Indiana Railroad could carry all local freight traffic between Toledo and Bryan, Ohio, by the steam railroads making more effective use of the Toledo Terminal Railway, which is a belt line connecting with the electric line. If the Detroit, Toledo & Ironton Railway (steam) could interchange with the electric line at Wauseon, Ohio, it would be possible to minimize congestion in this territory without the assistance of parallel steam roads. In general, the steam roads affected would be the Detroit, Toledo & Ironton, Toledo Terminal, New York Central, Cincinnati Northern and Wabash. The last three railroads are parallel to the electric railway.

Toledo & Western Railroad could handle both carload and l. c. l. freight and reach any steam railroad entering Toledo through the Toledo Terminal Railway. The steam lines affected would be the New York Central, at Adrian, Palmyra, Blissfield, Riga, Sylvania, Morenci and Fayette; the Detroit, Toledo & Ironton, at Dennison, Ohio, and Adrian, Mich.; the Cincinnati Northern, at Alverdton, Ohio, and the Wabash at Adrian, Mich., and Alverdton, Ohio.

Cleveland, Southwestern & Columbus Railway could practically take care of all local freight business between terminals (Cleveland, Wooster and Bucyrus), relieving the New York Central, Baltimore & Ohio, Erie and Pennsylvania Railroads.

From these cases it is evident that immediate relief can be secured for the steam railroads through assistance from an existing facility which only needs proper fostering to become an important factor in our present national emergency and for the future.



TO REDUCE to the minimum the time required to load, transport and unload 1,400,000 freight cars on 231,000 miles of track! This is the Big Job of the Railroads in America today.

"There is now a Fisk Tire for every motor vehicle that rolls"

MOTOR TRUCKS—by promptly delivering to and hauling merchandise from the terminals, have aided materially in keeping freight cars moving.

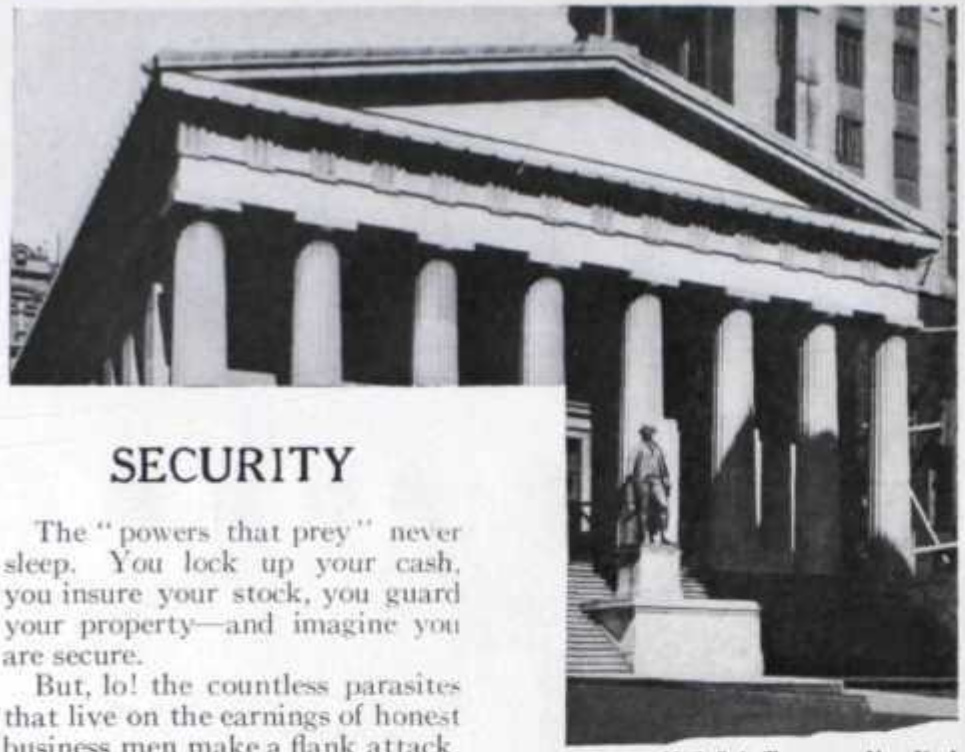
THEY are time and money savers in connecting highly productive territories with through trunk lines.

THE "TIME OUT" necessary to change tires that will not resist wear, is a loss to the owner and the nation.

DEPENDABLE TRUCK TIRES are insurance against interrupted service.

FISK SOLID TRUCK TIRES *are* dependable — full of brute strength to meet all requirements. When you need Solid Tires — Buy Fisk.

FISK SOLID TIRES



U. S. Sub-Treasury, New York

SECURITY

The "powers that prey" never sleep. You lock up your cash, you insure your stock, you guard your property—and imagine you are secure.

But, lo! the countless parasites that live on the earnings of honest business men make a flank attack, and you wake up to find they have robbed you through your **bank account by means of your own check.**

This form of fraud is modern, but forgers are even now stealing **millions** of dollars yearly by making big checks out of little $5 and $10 ones—"raising" amounts and shifting names. The only checks they cannot alter successfully are the ones protected with

TODD SYSTEM of Check Protection

which includes, if desired, an indemnity bond, insuring the user of Protectograph Check Writer and PROTOD Checks, and his bank, jointly against check fraud.

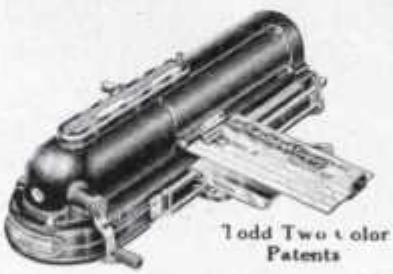
Firms using old-fashioned check methods are swindled every day. Read the new book "Scratcher Sends a Warning," written by a famous forger, now in prison, who tells about the "easy money" in tampering with checks which their signers thought were carefully written.

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TEN DOLLARS SIX CENTS

Protects the full amount in the body of the check. Writes amount in dollars and cents (words, not figures) exact to the penny, in two vivid colors "shredded" through the paper. A complete word to each stroke of the handle. Quick, Legible, Uniform. Standard model as illustrated $50. Other models in all sizes and prices up to $75.

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PROTOD Forgery-Proof Checks and Drafts are printed or lithographed to order only for owners of Todd Machines only.

PROTOD defeats the "professional" forger. Chemicals in the fibre of the paper prevent changing the name of the payee to some other name or to "cash" or "bearer," etc.

Every sheet of PROTOD is checked and safeguarded like U. S. bank-note paper, so there is no way for a crook to duplicate a genuine PROTOD Check.

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(Established 1899)

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World's largest makers of checks and check-protection devices

War Profits in Japan

THAT Japan has been vigorously rubbing the Aladdin's lamp presented to her by the war is shown in a statement of the great dividends being distributed by some of the Japanese industrial companies. One hundred per cent earnings to shareholders are by no means uncommon, while profits of only 13, 15 or 20 per cent call for explanation. According to a table purporting to set out the dividends of the principle companies, the shareholders of only three will receive less than 13 per cent for the present term.

The flow of war prosperity, however, has not been even. Thus we read that the Japan Cotton Company, which paid a dividend of 100 per cent for the previous term, will put its shareholders off with an earning of 60 per cent this time. A ceramic company has unfortunately suffered a decline in profits, but expects, by virtue of a shipbuilding enterprise in which it wisely embarked to ward off the rigors of hard times, to keep its dividend at 30 per cent. As an offset to the tale of prosperity, it is pointed out that the position of cement and mining companies is not very favorable. The table indicates that one of the cement companies is earning a mere pittance of 15 per cent; mining companies do not figure in the list. About the most valuable thing to own in Japan at the present time, apparently are shares in the spinning and weaving companies, while what we call public utility companies would seem to offer comparatively poor fields for investment.

Japan's great wave of prosperity, however, shows a tendency to abate—a condition reflected in decreasing dividends—due to the high price of coal, advances in wages, increased freights, scarcity of tonnage, and restrictions of trade by the Allies.

One result of Japan's bounding and profitable activities will be to improve her industrial position at home and abroad. She will be better able to finance large industrial enterprises. For instance, it has not been so long since a group of influential Japanese suggested a working arrangement with American capitalists for the exploitation of China, Japan to furnish labor and so on, the United States to furnish capital. Perhaps Japan will now be in position to supply the capital herself.

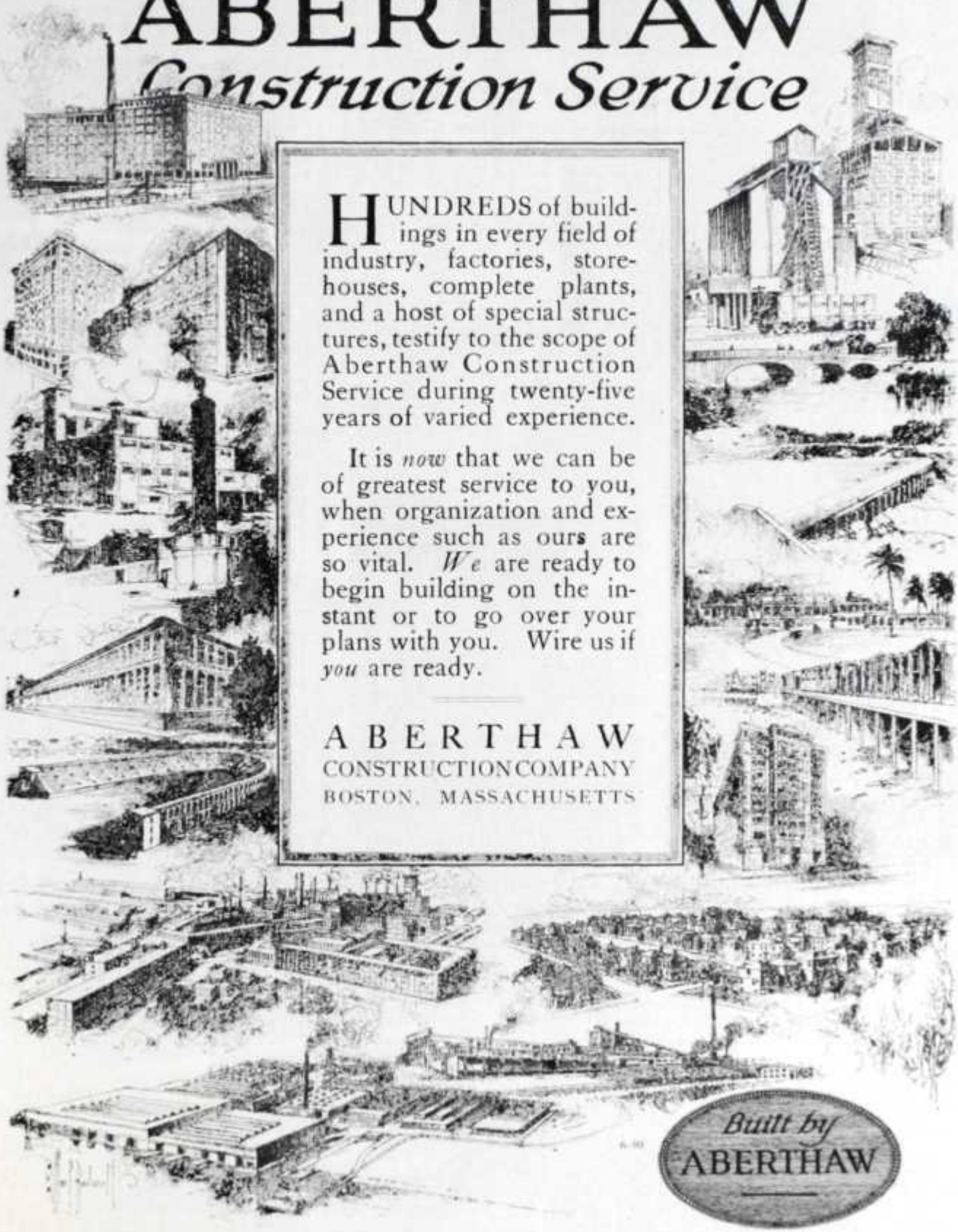
The Money Cost

THE war will cost the American people this year in the neighborhood of twenty thousand million dollars. The sum will be paid from the earnings and savings of the population. Business will contribute its share in taxes and in bond purchases. None will escape the assessment and few would attempt to evade the cost even if it were possible.

The National Chamber's Committee on Financing the War has drawn up a report recommending still heavier taxation, but suggesting an arrangement for a more equitable distribution of the burden. Under the present revenue law there is insufficient provision for equalization and redress from unjust assessment. The act lacks elasticity necessary to fit a multitude of cases that have arisen and the committee proposes that a wider discretionary power be given officials charged with administration of the law.

The committee's recommendations have been sent out to the Chamber's membership in a referendum and the composite views of those who will contribute a large share of the necessary revenue will be laid before Congress for its information when it comes to frame the final form of the new tax bill.

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HUNDREDS of buildings in every field of industry, factories, storehouses, complete plants, and a host of special structures, testify to the scope of Aberthaw Construction Service during twenty-five years of varied experience.

It is *now* that we can be of greatest service to you, when organization and experience such as ours are so vital. *We* are ready to begin building on the instant or to go over your plans with you. Wire us if *you* are ready.

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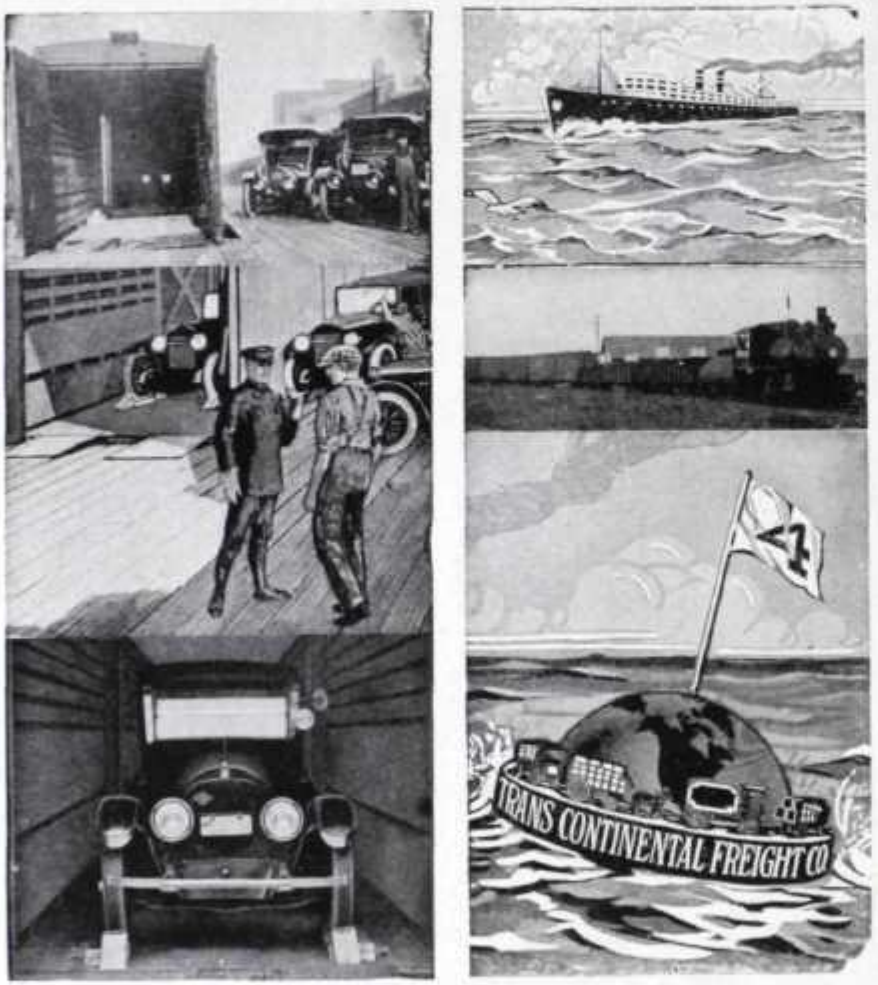


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New Taxes in the Making

(*Concluded from page 12*)

special commission to be attached to the Treasury Department, and to have the task of interpreting and applying the taxes on profits and the like.

When Congress begins active sessions again, in the third and fourth weeks of August, it will have important matters before it, quite apart from the revenue bill. Foremost in urgency will be amendment of the selective-service law. The desires of the War Department appeared on August 5, when its bill was introduced. As every one knows, it places the ages for compulsory military service between 18 and 45. It is not so generally understood that new language is apparently intended to widen the classes of men who may be exempted because of their occupations. In this connection, however, the language of the law is not so important as the regulations, and new ones are understood to be in preparation.

If the amendment to the selective-service law does not get in the way, the water-power bill is to come before the House on August 19. The probabilities are it will pass within the week. It will then go to conference, and the question will be whether or not the conferees can agree on compromises for the difficult points before March 4, when this Congress will end. During debate in the House there may be some references to suggestions which have been made by members on the staff of the War Industries Board, for government construction and operation of central power plants, operated by steam or water, where electric energy is needed for war work.

Those Intoxicating Beverages Again

ON August 26 the Senate is to begin debate upon a proposal to forbid the sale of intoxicating beverages in the country during the war. Some of the debate will be directed to the date when such a prohibition should become effective, since time will be necessary to make readjustments, including liquidation of loans in large amounts which are outstanding against liquors held in storage.

There will be no lack of other measures, and they will take a wide range. For instance, on August 9, the War Labor Policies Board approved the principle of a bill which is designed to prevent profiteering in rents; this bill would authorize the President, as he now can do in connection with shipyards, to control rental charges, and requisition houses and land, in areas occupied by workers in industries connected with and essential to the national defense.

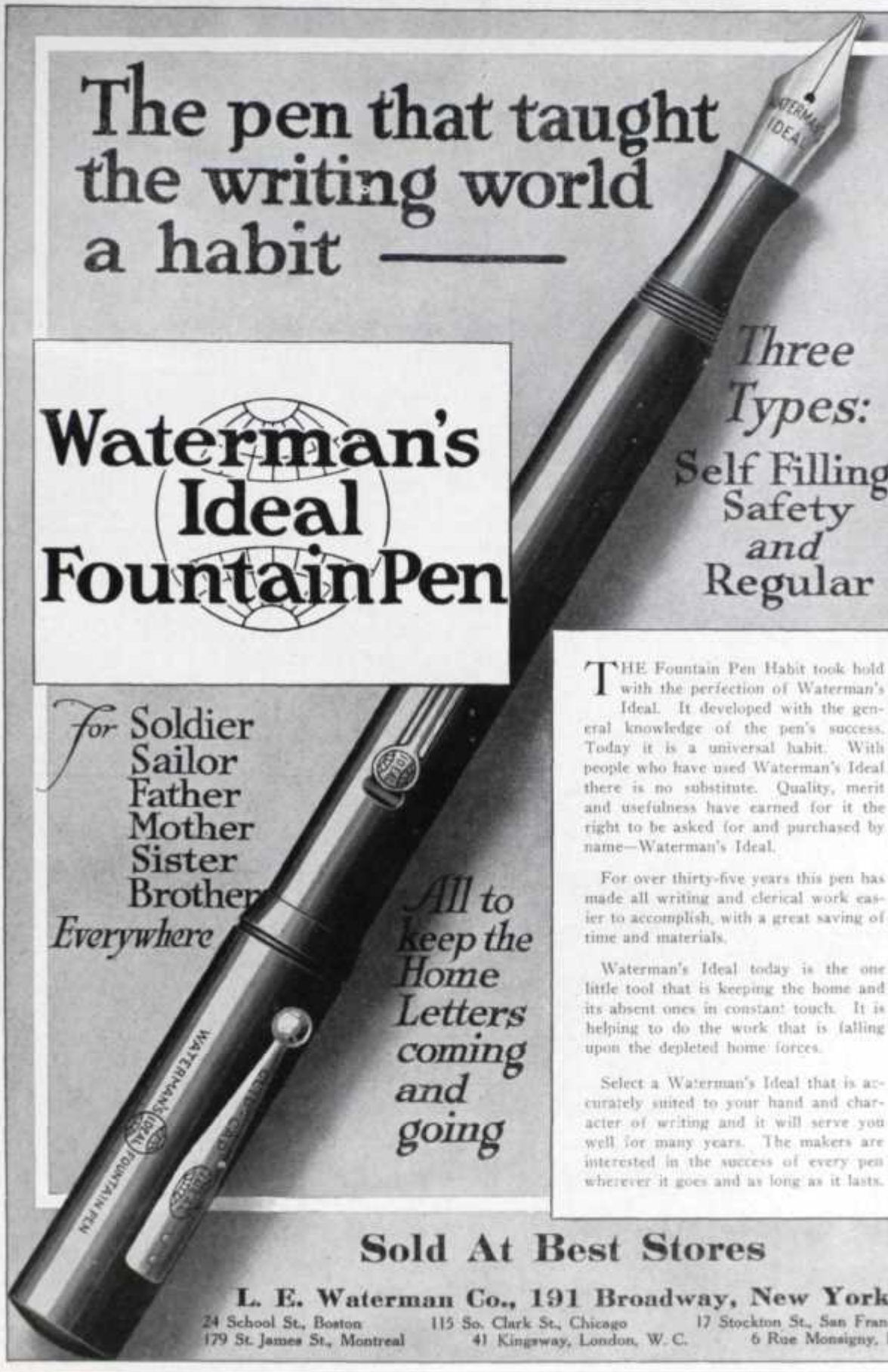
All signs point to accuracy in the prophesy made by the Speaker of the House, that Congress will still be in session when November comes around.

And Still Going Up!

SHIPS have risen in value at a rate that makes one dizzy. A British cargo vessel worth $212,000 in July, 1914, would bring $625,000 by the end of 1915, and $937,000 at the end of 1916, which was the high point in England. Today her value is reckoned at $900,000, or about $120 a ton.

British steamers labor under various disabilities, from the owner's point of view, such as requisition by the government at fixed rates. Norwegian boats which are freer of restraint fetch as much as $300 a ton, and it is said Japanese steamers have changed hands at $400 a ton, a figure that is not strange with trans-Pacific freights reported around $55 a ton. In March Japan saw the possibilities of revenue from sales of Japanese boats, making them subject to the war-profits tax.

The pen that taught the writing world a habit



Waterman's Ideal Fountain Pen

Three Types:
Self Filling,
Safety
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For Soldier
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Everywhere

All to keep the Home Letters coming and going

THE Fountain Pen Habit took hold with the perfection of Waterman's Ideal. It developed with the general knowledge of the pen's success. Today it is a universal habit. With people who have used Waterman's Ideal there is no substitute. Quality, merit and usefulness have earned for it the right to be asked for and purchased by name—Waterman's Ideal.

For over thirty-five years this pen has made all writing and clerical work easier to accomplish, with a great saving of time and materials.

Waterman's Ideal today is the one little tool that is keeping the home and its absent ones in constant touch. It is helping to do the work that is falling upon the depleted home forces.

Select a Waterman's Ideal that is accurately suited to your hand and character of writing and it will serve you well for many years. The makers are interested in the success of every pen wherever it goes and as long as it lasts.

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3,000 Red-Blooded Men

"There is no Railroad President—no Corporation Director in America too big for the job of handling one of our huts in France," cables one of America's best known business men from "over there." Here is a chance for you men whom war has skipped.

Men of the "skipped generation," men whose fathers were in the Civil War and whose sons are in this war—"regular fellows" of the in-between age, men who have made good in business, made good in times of peace, men whose success has come to them through knowing how to handle other men—three thousand of you are wanted.

There's a need in France right now for such as you to take charge of Y. M. C. A. huts. These are the unarmed soldiers, nerve-proof under a shower of shells, willing to sleep where they can, eat when there's a chance, able to work 16 hours a day, good mixers, ready to be preachers or friends—yes, and at need, game to the core.

Three thousand such jobs are waiting—at nothing per year—for those who can fill them. Nothing per year—nothing but the thrill that comes to the man who does his part, nothing but the tingle of blood that squares his shoulders and makes him say to himself: "It was my part and I did it."

Write, giving full details, to Y. M. C. A. Overseas' Headquarters
E. D. POUCH, 347 Madison Avenue, New York

Y. M. C. A.

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United States Gov't Comm. on Public Information

This space contributed for the Winning of the War by
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Any office boy can do the latter by using the
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Practical and low priced.
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Another War Heritage

ECONOMIC surveys by countries have been a product of a war in which materials and scientific ability to supply them are determining factors. On our part we have for years collected statistics about our resources, glanced at them casually ,and gone our way. That is changed. Every source of a useful article is being sought out, calculated, tabulated, and put to work at its capacity. At the time our scientific ability has been mobilized, pitted against the scientific attainment of the enemy, and not found wanting. Yankee ingenuity has not been overlooked either; for the Naval Consulting Board has this month described the directions in which advances in airplane engines should be sought, and invited even persons of little practical or technical experience to ponder upon the problems. The stimulus of war may leave as a heritage for the days of peace great body of new information and knowledge.

The surveys that are proceeding abroad range from the economic future of India to the place and outlook of ostrich feathers in South Africa. Italy is the latest country to prepare to take an account of herself. It has organized a central commission headed by the president of the cabinet and two auxiliary bodies, one of which is to consider industrial, commercial, and agricultural problems.

All of these activities forecast the part commercial diplomacy will play in the near future; for no economic plan can take into consideration merely the situation of the country that is under the microscope. In due course we shall undoubtedly prepare for the days of commercial negotiation among nations. For the present, the chairman of our Tariff Commission points out, we are helpless, being without provisions of law that confer a bargaining power. Consequently, the Tariff Commission has been making studies, which in time it will place before Congress, regarding the tariff policies and the commercial arrangements of European nations, as well as our own industries which have been affected by the war and will have international problems when peace returns.

The Changing South

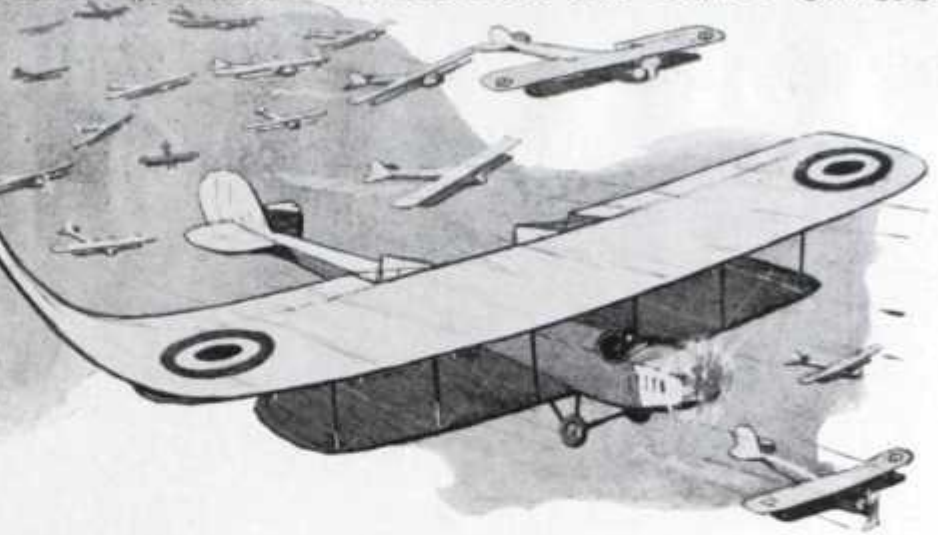
A SURVEY of the general resources of the United States has been made by the standing committee of the United States Chamber of Commerce, of which Archer Wall Douglas of St. Louis is chairman, laying special emphasis on the changed conditions in the South. "Almost unbelievable" is the phrase used in reference to the South's agricultural and business conditions. If some crops such as rice and sugar cane are not as large as in past years the high prices of these products more than make up the difference to the producers. The South is learning the value of diversification; the humble peanut is now raised from Virginia and along the Atlantic Coast into Georgia and across to Oklahoma and Texas, to the value of many millions of dollars. We predict that historians will turn aside from their chapters on The Great War to set forth the industrial and agricultural awakening of the new South.

Where to Complain

THE Interstate Commerce Commission is the court of appeal from the changes in rates and regulations for passengers and freight service that are made by the Railroad Administration during federal control. On August 3 it adopted special rules of practice to govern procedure in such cases.



Twenty Five Million Square Feet of Varnish Surface in One Order



All for Airplanes
All Air-Plane Rexpar

The only place where human life depends directly and indirectly on varnish is in an airplane.

You varnish the front door of a house simply to protect wood and to get an ornamental effect.

But you varnish an airplane to get definite qualities of physical resistance, under any conditions whatsoever—abnormal conditions so severe as to constitute the most rigorous test imaginable.

Air-Plane Rexpar is the varnish that meets actual flying requirements to the full satisfaction of the Signal Corps of the United States Government. It has been ordered for all new construction.

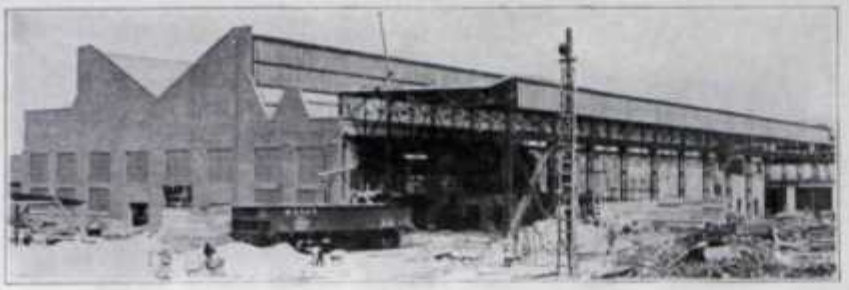
Air-Plane Rexpar is not only a remarkable achievement as a type of varnish that definitely resists all destructive attacks, but is also a highly interesting product because it can be obtained at a reasonable price, in any quantity, with invariable uniformity.



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DYESTUFFS, COLORS, PIGMENTS, CHEMICALS, INSECTICIDES, DISINFECTANTS, WOOD PRESERVATIVES



Addition to the Electric Steel Company's foundry, Chicago, designed and built in 10 weeks.

Why we are Economists

"An Economist," says Noah Webster, in his well-known dictionary, is "one who expends time, money, or labor, judiciously and without waste."

Under this definition, our organization may rightly be termed economists, for our services in the design and construction of industrial plants are the exemplification of judicious expenditure of time, money and labor in our clients interests.

We design industrial plants to fit your particular conditions, and then see that they are built as they should be.

If you are thinking of building, write us.

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OIL WELL SUPPLY CO.
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New York Los Angeles San Francisco Tampico London

War Labor Furnished

(*Concluded from page 16*)

south and east, farms have been swept bare of labor by private recruiting agents. This practice will be ended, and this year agents will be prevented from going on farms and taking away harvest labor at the time that it is most needed.

There will be regulations which will check the widespread advertising that has wrought such havoc in the labor market and increased turnover. Although the common labor recruiting prohibition does not for the moment include the nonessential industries, recruiting by the nonessentials has had but little effect on the general situation. However, no nonessential industry will be permitted to interfere with any war industry or the labor market.

To Serve War First

TO what extent labor is to be found for plants with both war and non-essential business will be determined by the Employment Service authorities in the localities in which such industries are operating. In helping all such industries, however, the service will first see whether a lack of men in the war end of the plant cannot be met by transferring workers from the nonessential end.

The policy of centralized administrative authority and decentralized execution renders the program highly flexible and readily adaptable to local conditions. The community board system, coupled with the fact that many of the state directors of the Employment Service and the Public Service Reserve are themselves large manufacturers, now patriotically giving their services and knowledge to the government, assures employers generally that they will be dealt with fairly.

Our Railroads Go to Sea

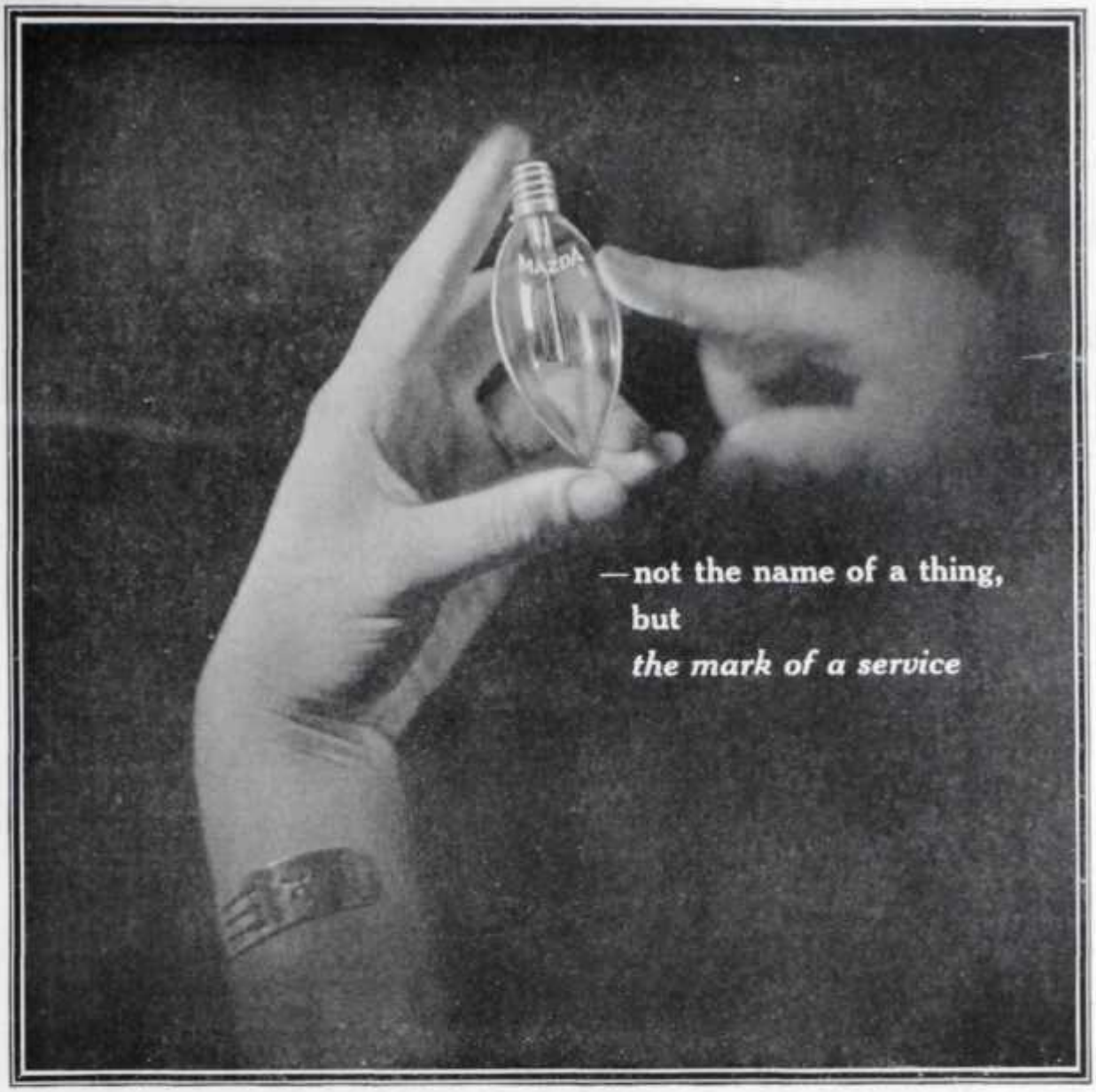
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centered on a large fleet of wooden steamers of moderate capacity. Today while still keeping all our wooden shipyards busy, we have increased the size to 5,000 tons, and now know that most of this wooden tonnage will be kept in coastwise trade, releasing the steel ships for the war zone. Where we were glad to get steel ships of 5,000 to 7,000 tons a year ago, now we are building them in 8,000 and 10,000 ton types, and planning troop ships of 12,000 and 15,000 and even 20,000 tons, with speeds of 16 to 20 knots an hour.

Must Plan Sea Delivery

IT is none too early for the American business man to begin thinking of these ships in terms of modern delivery service to foreign customers. And not the business man alone, but the farmer, the consumer, the community—the whole American Nation. We must get ships into our thinking, and planning, and work, just as we have got railroads into the American consciousness.

When the war ends, there will be work for ships all over the world. Peace will soon make the British mercantile marine as strong as ever. The Norwegians and Japanese are building ships. The Germans will undoubtedly rebuild their mercantile marine. So it is possible to look ahead and see times coming when we must compete with these nations. And we shall never hold our own unless both our ships and our foreign trade are organized along the efficient delivery lines that facilitate business at home.



MAZDA

"Not the name of a thing, but the mark of a service"

MAZDA is the trademark of a world-wide service to certain Lamp manufacturers. Its purpose is to collect and select scientific and practical information concerning progress and developments in the art of incandescent lamp manufacturing and to distribute this information to the companies entitled to receive this service.

MAZDA Service is centered in the Research Laboratories of the General Electric Company at Schenectady, New York. The mark MAZDA can appear only on lamps which meet the standards of MAZDA service. It is thus an assurance of quality. This trademark is the property of the General Electric Company.



A MAZDA Lamp for every purpose

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THE TREND OF THE TIMES

In the home, on the farm, in the factory, in the store, the dominant thought throughout the land today is SAVE up and SPEED up. Practical preaching to patriotic people has produced praiseworthy results.

Since 1896, the nationally popular S.H. Green Stamps have taught the lesson of thrift to millions of frugal housewives. Today, these tokens stand out most conspicuously as the one remaining feature of daily purchasing which returns a sensible, sound, substantial saving—a saving with no sacrifice.

Thousands of progressive merchants gladly reward cash patronage by means of the famous S.H. Green Stamps. They place within easy reach of their customers a most practical method for practicing economy and thrift.

The enthusiastic endorsement given S.H. Green Stamps, by both merchant and customer, is convincing evidence of their practical worth in the store and the home.

The Sperry & Hutchinson Co.
2 West 45th St., New York City

Puzzle: Find the Defendant

(*Concluded from page 21*)

findings, form the major part of the industry. To all appearances the Commission thinks only brand-new remedies will suffice.

Curiously enough, the Commission would merely clip the wings, so to speak, of its chief malefactors. This "simple" remedy is pretty much of an anti-climax, in view of the offenses the Commission intimates. Incidentally, it would seem to add materially to the burdens of the Director General of Railroads: for the Commission would have him operate as government monopolies all cars for livestock, all refrigerator cars and equipment of icing plants that go with them, and all stock yards; it wants also to have him operate central wholesale markets and cold-storage plants. The objects the Commission has in view are to enlarge competition in the purchase of meat animals and to make facilities for distribution, of the special nature required by such perishables as meat products, open to everyone. That the Commission proposes no small undertaking for the Railroad Administration is apparent to anyone who reflects upon the Commission's suggestions. For instance, if it contemplates an extensive excursion into the cold-storage business, there are the 474,000,000 cubic feet of cold-storage now in existence; packing houses themselves have 212,000,000 cubic feet exclusive of the space of their branch sales rooms. Refrigeration has come to have an important place in the daily life of most of us. Cold-storage houses and refrigerator cars have made it possible to supply eastern cities and export trade with meats, poultry, butter, and eggs from our great central valleys, fruits from the western states, and fish from the Pacific ocean. If the Commission means to suggest that the government enter the field of refrigeration of foods there would at once be a new question of government finance.

For the present, however, the Commission does not make plain exactly what it has in mind. The summary of 49 pages which it has made public is but the forerunner of seven detailed reports which the Commission promises. Apparently, we are only at the beginning of a new "cause celebre," and it is not yet apparent who will be on trial at the bar of public opinion, which has been invoked, —the packers or the Commission.

"Made in—"

NATIONAL trademarks stir up a deal of strife, as seems on the point of being demonstrated once more in England. The occasion for the new commotion is an attempt by a private French association to obtain British registration for a French National Trade Mark, which has already been registered in one way or another for forty-odd countries. There is little doubt thread manufacturers, soap makers, mustard manufacturers, potters and the rest of the long list of Britishers who have made goods and stamped them with marks that are known around the world will again muster their strength and attempt to duplicate their feat of 1914, when their representations lead British officials to decide that registration of a British Empire Trade Mark would not be to the national advantage. The idea of a national mark antedates even 1914; for as early as 1894 there was agitation for a British Trade Mark.

The purposes of a national mark,—and the desirability of the United States having one of its own was before a Congressional committee in May,—have been succinctly set out as three-fold by the opponents, who by reason of their tactical position perform functions of analysis that are very useful to the casual reader. In the first place, purchasers will be able to distinguish home-produced from imported goods and for patriotic reasons will be able to discriminate in their favor. This is the primary object, according to the critics. The second purpose is likewise defensive in principle, being to forestall counterfeiters and imitators in the markets of other countries. The third purpose, however, is offensive in strategy; it is to create a preference in foreign markets for goods bearing the mark in question, this preference having its origin in the superiority of the goods. The opponents think they make out a case for their point of view in connection with each of these purposes.

Community marks, the critics insist, are altogether another sort of thing. Examples are the Irish Trade Mark, for linen, the Danish Trade Mark for butter and cheese, and the Harris Tweed Trade Mark. In order to bear the latter mark, goods have to be carefully examined and backed by guarantees that they were dyed, hand-spun, and hand-woven in the Hebrides. Such marks obviously are intended as assurances of quality.

The discussions of national trade marks may forecast the importance which the nativity even of goods may have in the future. On the other hand, individual trade marks are not going without attention. Under the convention signed at Buenos Aires in 1910, the Cuban government is on the point of opening a bureau at Havana where marks from the countries of North America, Central America, and the West Indies may be registered. In October a number of countries in South America will consider the desirability of opening a similar bureau at Rio de Janeiro. Whether the important marks of the future are national or individual, they will mean more than in the past and will be more jealously guarded.

The Real Thing In Saving

SALVAGE—the word has come to have a place in every newspaper and casual magazine. It has become a war word. It carries one of the many new, big, permanent ideas which the war is teaching to us; and little by little it is sinking in. Don't burn old newspapers; don't waste garbage; save the tin cans. We have begun to see why; and we have begun to obey.

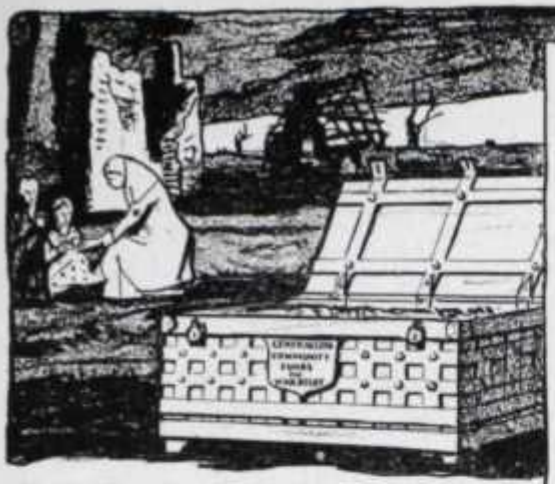
England, driven by necessity and prepared, too, by a national tradition that takes kindly to thrift, is far ahead on that lesson of salvage. Whole English communities indeed waked up to it long ago, while we were merely mouthing the word, and criticizing the taste of it.

All over England, pamphlets are distributed broadcast. They tell of the glycerine that can be extracted from waste and used for ammunition; of grease traps to save grease from dishwater; of oil extracted from fish waste; of poultry food produced from meat waste; of ash pit waste used for fuel; of clinker ground up and used as disinfectant powder, and so on. And the British are practicing it.

We have a long way to go before we learn all that by heart over here; but we are coming to it.

Virtue In a Good Aim

AMMUNITION shortage in an unlooked-for quarter shows up in Great Britain in the appeal of the Venison Committee, now attached to the Ministry of Food, which asks "intending stalkers to inform their gunmakers of the amount of ammunition they are likely to require." Demands, it is added, should be kept within the smallest possible compass as only a limited amount of ammunition can be manufactured.



The War Chest puts under one management all of a city's campaigns for funds for the Red Cross, Y. M. C. A., K. of C., Jewish War Relief, Salvation Army. There is but "one campaign—one appeal—once a year." More money is raised with reduced expense and effort.



Rochester Patriotic and Community Fund, Inc.

Permanent Headquarters, Third Floor Alliance Bank Building

Campaign Headquarters, May 30-17, Chamber of Commerce Banquet Hall

July 18, 1918.

Yawman & Erbe Mfg Company
Rochester N Y

Gentlemen:

There is no doubt that the preliminary study and investigation made by your System Service representatives were of immense value to us in our preparation of the record systems used in our War Chest Campaign.

The Rochester War Chest was a success beyond our highest expectations. Some of this success was undoubtedly due to the perfect arrangements made in advance of the campaign. Your ideas for the system of pledge cards, ledger cards, indexing methods, filing arrangements and other features, were splendid.

Any city contemplating a War Chest would do well to carefully consider the filing systems used by us in our campaign.

Yours very truly,

Campaign Manager.

The WAR CHEST— a good example of the use of

"Y and E" System-Planning Service

"YOUR ideas for the system of pledge cards, ledger cards, indexing methods, filing arrangements and other features, were splendid."—

The campaign Manager of the Rochester War Chest, like many other business executives, did not hesitate to ask for assistance where he thought he could get it.



There is hardly a limit to what we will undertake for business men and others when they want ideas for improving their methods of record-keeping.

Our previous experience of 38 years of research and study often makes the service simpler than it appears, so that we never find it necessary to charge—the service is free.

Have our local "Y and E" men come in and go through your offices and files if you think there's room for improvement, and see what they can offer in the way of ideas for making the record end of your business simpler, speedier, neater, more accurate, or more economical to operate. Our branch offices, agents and traveling representatives cover the country. Write us for further information about our System-Planning Service or about any type of filing system or filing equipment:

Vertical Filing Systems	Folders, Guides, Metal Index Tabs	"Fire-Wall" Steel Filing Cabinets	"Safe Files" for Blueprints
Card Index Systems	Shannon Arch-File Systems	Machine Accounting Equipment	Record Filing Safes
Card Record Forms	"Super-Wood" Filing Cabinets	Efficiency Desks	Transfer Cases, etc.

"How to run a War Chest"—this new folder telling how to plan the organization, the offices, prospect lists, publicity, campaign work, pledges and collections, etc., will be sent free upon request. With "Y and E" Systems the Rochester War Chest handles over 100,000 accounts with a small office force—accounts of pledges ranging from 50c to $500,000. Ask for information.

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928 St. Paul Street, ROCHESTER, N. Y.

Makers of "Y and E" Filing Equipment and Office Systems

Branch Offices: Boston, Springfield, Mass., New York, Albany, Newark, Philadelphia, Washington, Pittsburgh, Buffalo, Cleveland, Chicago, Kansas City, San Francisco, Oakland, Los Angeles. **Agencies and Dealers** in more than 1200 other cities. **In Canada:** The Office Specialty Mfg. Co., Ltd., Newmarket, Ontario

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Industrial Haulage
Save
Precious Labor
Reduce
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Work
Without Waste
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The Trackless Train

Pays Its Way

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American Express Co.
New York
Erie Railroad Co.
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Libbey Glass Co.
Toledo
Continental Motor Corp.
Detroit
Armour & Company
Chicago
and request details



From Dept. N

Mercury
Manufacturing Company
4118 So. Halsted Street
CHICAGO U. S. A.

A Checkmate for the Kaiser

(*Concluded from page 10*)

arriving in this country from the East India Islands, or from Europe.

Jute is another article that is admitted from a far-off region after a long ocean voyage. It comes from Calcutta. In England sandbags are made of it for the trenches. Over here we make of it bags for grain, for wheat, rye, barley, corn and oats. The farmers haul their grain to market in bags and often straight from the thresher in the field. A scarcity of bags in this country would result in the loss of millions of bushels of these staple foods for men and live stock.

The political economist, sitting as a bench of judges, first having learned the facts, gave jute preference over dozens of other commodities of seemingly more importance. Every decision rendered is a story in itself and may be a comedy, a tragedy, or combination of both.

Manufacturers of starch, prepared foods, molasses and other ready items of commerce, doing business along the Atlantic Coast, were buying their corn in Argentina at a cost, water freight added, that was considerably less than would have been the cost of corn grown in Illinois, Iowa, or Kansas. The scientists stopped all such transactions. "Buy your corn in the United States," they said to the manufacturers, "so that the ships which have heretofore brought it to this country may transport troops and food to Europe." This was done. As a result, you may pay a little more for the corn syrup that goes with your breakfast cakes. You won't complain, not when you know that that added price is the result of one of the winning moves in the great chess game of shipping being played by the Division of Planning and Statistics.

Right here credit for assistance in making some of these astute moves must be given to our Bureau of Standards. The Bureau computed the cubic space needed on board boats for various articles so that the War Trade Board and the Division of Planning and Statistics could use the figures as a basis in conserving ship space. The Bureau also worked out plans of compressing crude rubber so that they could get more of it on ship board than they could previously do. Incredible has been the growth under war pressure of this government laboratory for trade and industry.

Wherever possible a substitute is recommended for some article in use, if the substitute will give cargo space for American soldiers and their rifles, ammunition, wheat, and meat.

Give the Professor Credit

STOCKS on hand are known to these unheralded men of science. By first learning the amount of stock procured and taking therefrom the stocks consumed, they get that invaluable difference—stocks on hand. Manufacturers cannot mislead them. If prices bound upward and a product does not come out, a product abundant in warehouses and elsewhere Mr. Wilson, the President, or Mr. Baker, the Secretary of War, is aware that a campaign of profiteering is being worked against the public and the government.

What does all this mean? "The age of scientific trading is upon us," some will say. Others will sigh, "Goodbye to the jokes on the professor; alas, he has made good!" One thing is historically true: with our academic preparation for this war no one can find any fault. England in her day of putting on armor complained of irrational interference with her industry. Not so with us. Our interference with our trade ramifications has been sympathetic, rational, and always with a reason.

Such, then, in short, are the philosophy and technique of the unseen company of economists who, in its dance hall offices at the national capital, are helping to clear the barred road to Berlin and Potsdam.

Average Crops Survive Heat and Drought

(*Concluded from page 11*)

seen his duty and done it." An interesting development in agricultural economics is the growth of Farmers' Clubs that they may purchase from the manufacturer certain few staples which are essential to their business. The growing season so far has been principally remarkable for the increased application of intelligent methods of farming, such as careful selection of seed, and an unceasing cultivation. These factors are especially responsible for increased yields per acre in many commodities despite much unfavorable weather.

There is no longer any question of the permanence of crop diversification in the South, and this too when cotton at record breaking prices holds out the temptation to return to the disastrous one crop idea.

The South is not only feeding herself but is shipping food to some of her sister states who once gave her advice about being self-contained, which advice they forgot to follow themselves. Our successes on the western front in France have bred a spirit of optimism in the business world, which finds expression in still liberal buying for needs and immediate wants.

The chief difficulty among dealers is getting sufficient goods to fill their orders. This difficulty is greatly increased by the Priority System in getting goods from manufacturers which the Government has found necessary to adopt in its desire to deal fairly with all and as far as possible to confine the distribution of certain commodities to productive and necessary uses.

It is a very difficult matter suddenly to conform the complex ways of manufacturer and distribution to the supreme needs of war. And that is the problem which the Government and the business world are seeking to solve. Fortunately the solution is being hastened by the manifest desire on both sides to serve the common welfare.

There is no let up in any form of productive enterprise, only all efficiency is still hampered by the constant turnover of labor. Each employer has settled down to the task of teaching, instructing and interesting the new employers in their jobs as the only way out of the difficulty.

Map changes are largely in the making, awaiting the completion of the remaining harvests for more permanent coloring in the agricultural sections. Many of them then will be as altered as will be the map of Europe in that blessed day when an enduring peace shall come and when the knowledge of right and justice shall cover the earth as the waters cover the sea.



STRENUOUS campaigns of saving are under way in a number of vital channels. Organizations headed by some of the Country's big executives are conducting these campaigns in a systematic manner.

There are signs of a movement to conduct just such a campaign in an endeavor to offset the great shortage of clerical help that is confronting the Nation today.

Higher salaries for office help will not permanently help the situation. There must be some other relief because there is an actual shortage of clerks which grows worse with the passing of each month.

The biggest measure of relief is expected from the installation of such office appliances as the Addressograph. This machine saves clerical labor on payroll work by filling in pay forms with names, numbers, amounts and dates, faster than several clerks could do the work by hand. It heads up statements, addresses tags, lists and fills-in names on bank forms, relieving clerks wherever there is name writing to be done. Makes it possible for them to take on other work which they have been too busy to handle.

An Addressograph representative will tell you gladly how you can get relief in the office help problem. In a two minute demonstration of a Hand Machine in your office he can show you what you can do with the Addressograph. No obligation; ask for information.

Addressograph
TRADE MARK
PRINTS FROM TYPE

902 W. Van Buren St. CHICAGO, ILL.



Millions of Feet of Anchor Post Fences Protect Billions of Dollars in Plant Investment From Theft and Vandalism

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These are the ultimata that every Anchor Post Protective Fence presents to the dangerous enemies of industry. Ultimata that are backedby a steel wall of defense that has proved impregnable in service.

Briefly, the details of that steel wall are as follows: Chain Link Woven Steel Fabric of great strength and of such mesh as to prevent foothholds. Top and bottom edges finished with a double twist and so cut as to form sharp barbed points. The fabric stretched tight as a drum over close-grained, high carbon steel U-bar Posts, held rigidly erect through the patented Anchor Post driven stake anchorage. Topped with thick-set barbed wire anti-climbers fastened on inclined pressed steel arms.

There's no question in the minds of thousands of private and government plant managers that Anchor Post Fences are accomplishing real protection. Moreover, because of their splendid durability and negligible maintenance cost, they are sound investments.

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Anchor Post Fences

222245

Prices Paid for Materials of War

Figures Prepared by the War Department

DAILY cost of feeding a man in the American Expeditionary Forces, averages $0.43.

Cost of clothing per man:

Breeches, Trs., wool	$6.32
Breeches, Trs., cotton	1.69
Caps, winter	1.25
Caps, overseas	1.00
Coats, cotton	1.96
Coats, denim	1.71
Coats, wool	9.79
Drawers, summer	.60
Drawers, winter	2.10
Hats, service	1.75
Gloves, heavy, leather	1.05
Gloves, wool	.80
Jerkins	6.75
Leggins, canvas	.92
Puttees, spiral	2.25
Shirts, flannel	4.08
Shoes, field	7.50
Shoes, marching	6.73
Stockings, heavy	.60
Stockings, light	.35
Trousers, denim	1.61
Undershirts, summer	.60
Undershirts, winter	2.10
TOTAL	$63.51

Cost of equipage, per man:

Bags, barracks	$.92
Bedsacks	1.70
Blankets	8.00
Overcoats	12.17
Slickers	5.33
TOTAL	$28.12

Cost of Field Material per Item:

Revolver	$14.00
Pistol	14.50
Bayonet	2.80
Rifle, Complete with bayonet	35.00
Light Browning Machine Gun (.30)	About 125.00
Cartridges per M.	40.00
Hand Grenade	.45
Gas & Phosphorus Grenade	.45
Rifle Grenade	.48
Drop Bomb (demolition)	45.00
Drop Bomb (incendiary)	20.00
Drop Bomb (fragmentation)	16.50
Airplane Flare	60.00
Signal Rocket	1.25
Position Light	.60
Trench Knives	.70
Cavalry Saddle	38.50
One Set (for 2 horses)	
Artillery harness (wheel)	225.00
Artillery harness (lead)	210.60
Mess Equipment	1.04
consisting of	
Fork	.07
Knife	.11½
Spoon	.03
Bacon Can	.24
Condiment Can	.17½
Meat Can	.50
Intrenching Shovel	.90
Pick Mattock	.67½
Hand Axe	.49
Canteen and Cover	1.55
Steel Helmet	1.65
Pack Outfit	57.50
37 millimeter shell loaded	1.00
75 millimeter H. E. shell loaded	13.00
3 inch H. E. shell loaded	12.00
155 millimeter shell loaded	65.00
6 inch millimeter shell loaded	20.00
Heavy Machine Gun	250.00
240 millimeter shell unloaded	65.00
12 inch shell unloaded	170.00
14 inch shell unloaded	400.00
16 inch shell unloaded	500.00
16 inch shell loaded	1000.00

T.N.T. (trinitrotoluol), high explosive at 50c a pound; 200 lbs. required (or costs $100) to provide bursting charge for one 14-inch H. E. Shell. Fifteen pounds of T.N.T. are as bursting charge for 155 1-m howitzer, or costs $7.50.

Smokless powder, at about 50c a pound; it requires 650 pounds, or $325 to propel one 16-inch shell. Propelling charges for 1000 3-inch Stokes Trench Mortar Shells cost, approximately, $50. Bursting charges for 100 3-inch Stokes Mortar Shells cost, approximately, $50.

The output of one powder plant for one day for material alone costs the Government $500,000.

Total explosives, bursting, propelling, priming, etc., for a 15-inch shell costs about $400.

A 16-inch shell complete with explosives, packing, etc., costs nearly $1000.

One 37-mm gun	$ 1,500
One 155-mm gun costs	15,000
One 16-inch gun costs	175,000

Straining German Gas

By GEORGE T. BYE

THE British box-respirator, the type of gas mask used by the American, British, French, Italian, Belgian and Portugese armies, was produced in time and in sufficient quantities because of the designing ability and peculiar organizing genius of a New England blouse-maker.

M. Klinger, of Boston, Mass., had moved to England shortly before the war began and had become probably the greatest producer of blouses in Great Britain. Gradually his factories "shifted over" to the production of munitions—haversacks, sailor collars, shirts, the early types of gas helmets, mess tins, and all sorts of sewed material.

When the box-respirator, a sort of air filter, was evolved and Mr. Klinger was invited by the British War Office to submit designs for the facial mask and its attachments to the chemical cannister, it took him and his wife two days of cutting and marking to achieve the design now in exclusive use.

The manufacture of the masks by the millions was the next problem which Mr. Klinger had to solve. All factories of suitable size were crowded with pressing war contracts. Finally he leased one of the largest football grounds in England, at a rental of $250 a week, remodelled the concrete bleachers to hold 1000 electric Singer sewing machines, adapted the great concrete grandstand for the assembly of the complete masks, and a year ago had already attained such speed that this one works was turning out 20,000 box-respirators a day, with test after test yielding an average of only two rejections a day. Many more are produced now. It is said that no soldier has been killed or incapacitated by gas who has had time to put on his box-respirator.

Profits and Prices

Profits may be considered from two angles:

***1st*—Their effect on prices;**
***2nd*—As a return to investors.**

When profits are small as compared with sales, they have little effect on prices.

Swift & Company's profits are only a fraction of a cent per pound on all products sold, and if eliminated entirely would have practically no effect on prices.

Swift & Company paid 10 per cent dividends to over 20,000 stockholders out of its 1917 profits. It also had to build extensions and improvements out of profits; to finance large stocks of goods made necessary by unprecedented requirements of the United States and Allied Governments; and to provide protection against the day of declining markets.

Is it fair to call this profiteering?

Swift & Company, U. S. A.

FOUNDRIES

A FIELD IN WHICH W. C. K. HAVE HAD LONG EXPERIENCE



Cleveland Brass & Copper Mills, Inc., Cleveland, Ohio
Brass Foundry.



Westinghouse Electric & Mfg. Co., Essington, Pa.
Iron Foundry.



J. I. Case Threshing Machine Co., Racine, Wis.
Iron Foundry.

In the course of our 34 years' operation we have built some 300 industrial plants. Many of these projects included the design and erection of foundries and their equipment. The photographs show a few recent examples.

Our experience in this class of work should be of value to those needing new foundry facilities.

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ENGINEERS and CONSTRUCTORS
A purely engineering organization with nothing to sell except services
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A List of Books for the Investor

(Concluded from page 24)

been made several times over, it seems reasonable to suppose that the company, if it works under the same policy will continue to do so. If, on the contrary, although they have paid 6 or 7 per cent for the past two years, you find that for the two years previous no dividends were paid at all, you would want to investigate further. If no legitimate reason, such as the purchase or enlargement of properties, accounts for this decrease in income, and if when you turn to the operating expense figures you see that the operating expense was much higher, in proportion to income, than in previous years, or than that of other companies paying dividends, you would have good reason to doubt the wisdom of investing in the stocks of this corporation. This illustrates the means these records afford for tracing the condition of the company.

Allowance must be made at the present time, however, for the very large war tax which some corporations are forced to pay. This burden is apt to be heavier each year during the war and takes a very large percentage of their earnings for taxes.

For instance, one industrial company which in 1916 paid 75 per cent in dividends, in 1917 paid only 48 per cent and this year will probably not pay over 30 per cent although earnings on the capital stock have been about the same for the three years; the smaller dividends being entirely due to the large amount paid in income and excess profit taxes.

Learn Investment A. B. C's.

IF you intend to make a study of your own or of the art and practices of investment in general, then you need to understand the fundamentals of investment and speculation, and of transactions involved in trading stocks on the exchange and to know the terms employed by brokers.

The half dozen books suggested here will give a good general view of these things:

Jones, Edward D.
Investment. 1917. Alexander Hamilton Institute, 13 Astor Place, N. Y. Sold to enrolled students, and second-hand.

Pratt, Sereno S.
Work of Wall Street, an account of the functions, methods and history of the New York money and stock markets. 1912. Daniel Appleton & Co., 29-35 W. 32d St., N. Y. $1.75.

Nelson, S. A.
A. B. C. of stock speculation. 1902. (Wall Street Library, v. 5) Doubleday, Page & Company, Garden City, N. Y., $.60.

Babson, Roger W.
Bonds and stocks, the elements of successful investing. 1914. Babson's Statistical Organization, 6 Congress St., Boston, $2.00.

Nelson, S. A.
A. B. C. of Wall Street. 1900. (Wall Street Library, v. 1) Doubleday, Page & Company, Garden City, N. Y., $.60.

Guenther, Louis.
Investment and speculation. 1916. La Salle Extension University, 2550 South Michigan Ave., Chicago, Ill.

Escher, Franklin.
Practical investing. 1914. Bankers Publishing Company, 253 Broadway, N. Y., $1.50.

For one more deeply interested in Investment- there are the following:

Chamberlain, Lawrence.
Work of the bond house. 1912. Moody Magazine & Book Co., 35 Nassau St., N. Y., $1.35.

Smith, Howard Irving.
Financial Dictionary. 1903. Moody Magazine & Book Co., 35 Nassau St., N. Y., $2.00.

Sprague, Charles Ezra.
Accountancy of investment, with which are incorporated "Logarithms" to 12 places and their use in interest calculations and "Amortization" (Ronald Accounting Series) Ronald Press Co., 20 Vessey St., N. Y., $5.00.

Chamberlain, Lawrence.
Principles of bond investment. 1911. Henry Holt & Co., 34 W. 33d St., N. Y., $5.00.

Rollins, Montgomery.
Stocks and their market places; terms, customs and usages; a reference book for the investor and stock broker. 1911. Dana Estes & Company, 212 Summer St., Boston, $.75.

Sprague, Charles C. and others.
Bonds as investment securities. 1910. American Academy of Political and Social Science, 36th St. and Woodland Ave., Philadelphia, $1.50.

Now Take That Item of Camphor

THE marked decrease in importations of camphor from Japan proper and the island of Formosa may be felt in many ways in the United States. There is a touch of romance in the fact that Formosa's output is short because of such things as typhoons and the activity of hostile savages in the districts where camphor trees grow, added to the commoner fact that the sugar and potassium carbonate industries in Japan have drawn laborers away from the production of camphor. Camphor is used in medicine and in explosives. It goes to the making of celluloid, and celluloid makes photographic films and the "movies."

Camphor is a monopoly of the Japanese government, and its distribution is in the hands of a monopoly bureau, which allots the yearly supply among domestics and foreign buyers. Thus each quarter we may know how much has been set aside for us month by month. See now how clever our Japanese allies are. For years the bureau has restricted the exportation of the crude product to American refiners, making it necessary for us to take more and more of the Japanese refined gum. Now the authorities are encouraging the export of manufactured goods, and preventing, as far as possible, the shipment of camphor. Result: a boom in a certain Japanese manufactured product; also an increased domestic demand. The Japanese are using great quantities of celluloid in making toys to supply markets formerly supplied by Germany.

Even the Japanese, however, have not as much camphor as they need. It is being allotted to manufacturers of celluloid in Tokio in the proportion of their purchases some years ago. One of the largest factories in the country is compelled to work at half capacity because for some years it was engaged in making munitions for Russia, and consequently has a small apportionment of camphor. Under these circumstances, it is not surprising that the monopoly bureau has many orders from America and Europe which it cannot execute in full.



Which Way are You Going?

BILLY PIERSON. "Well, Bob! I haven't seen you for months—where've you been?"

BOB CURRIER: "Oh, I've been laid up for several weeks—it's pretty good to get out again too, I can tell you."

BILLY: "For heaven's sake—not hospital?"

BOB: "Yes sir, and I just dodged an operation."

—"What was the trouble?"

—"Why, Billy, the doctors called it some awful name, but it was nothing more or less than a "clog" in my intestines; waste that wouldn't move—poisoning me—breeding a fine line of serious diseases."

—"What did they do to you up at St. John's?"

—"They were all ready to operate for appendicitis. That food waste had accumulated in the large intestine, where the appendix is. I had had pains, and I always tried to cure them with pills or salts. That only shook up my system—flushed it *hard*—and left that poisonous waste right there, dryer and harder than ever. Taking a pill for that condition is like driving your car up Ten Mile Hill to get the carbon out of the cylinders."

—"That's right."

—"Well, the doctor said "We'll see if we can't move that obstruction naturally before we try to operate." He put me on my back, and I watched the clock, counted my fingers, ate a diet and took Nujol. The Nujol softened that dry mass, moved it on, and after a while I began to be regular—my system is my clock now. I take a little Nujol morning and night just before toothbrushing and I really don't know what it is to feel low. Pleasant to take, too."

—"What does the Nujol do?"

—"Simply softens the contents of the bowels—without in any way interfering with digestion—and lubricates the ashes easily along the intestines. It's not absorbed. You get rid of every drop you take. For a man who doesn't exercise much, or who works so hard that he hasn't time to keep his insides as clean as his collar, it just helps nature out, see?"

—"Sure (*he twists the self-starter*) I'll bet there are thousands of men right now in the same shape you were in. Only one of them knows it and he just found it out. Hop in!"

—"Where you bound, Billy?"

—"I'm going to take you down to the drug store, and then if you're real good and you help me buy one bottle of Nujol, we'll go out and shoot about nine holes before supper. How about it?"

For your own protection insist that the druggist give you the genuine Nujol, in a sealed and capped bottle, bearing the Nujol trademark in red—*never otherwise*. Nujol is *absolutely pure and harmless*. Inferior substitutes may give unpleasant results. Genuine Nujol sold by all druggists in the U. S. and Canada.

Send 50 cents and we will ship new kit size bottle to U. S. soldiers and sailors anywhere. Write for attractive free booklet on the Nujol treatment: Section 5, Nujol Dept., Standard Oil Co. (New Jersey), Bayonne, N. J.

"Regular as Clockwork"

The car containing the Man Who Was Sick, and the Man Who Isn't Going to Be, gathers momentum and slides away.



DURAND
STEEL LOCKERS



YOUR employees are entitled to protection for their property while they are at work.

Durand Steel Lockers are a safeguard against theft, damage, and dirt. They inspire orderliness among employees and respect for their employers.

We are manufacturers of steel lockers, steel bins, racks, counters and general steel factory equipment.

Write for catalogue, telling us your requirements

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Irving Trust Company

Frederic G. Lee, *Pres.*
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Member of
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Capital and Surplus, $2,250,000

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Market and Fulton, 81-83 Fulton Street, New York
Flatbush, 839 Flatbush Avenue, Brooklyn
Eighth Street, B'way & 8th St., New York
New Utrecht, New Utrecht Ave. & 54th St., Brooklyn
Aetna, 92 West Broadway, New York
Long Island City, Bridge Plaza, Long Island City

The Treasury Charts a Course

(*Concluded from page 13*)

tax upon normal earned incomes and the failure to enact a differential of say 3 per cent against unearned incomes, making the tax on the latter 15 per cent, will, it is estimated by the Treasury Department, deprive us of additional revenue to the amount of $145,000,000, while at the same time seriously jeopardizing the program for the issue of Liberty Bonds of the Fourth Liberty Loan at 4¼ per cent by reducing the value of the exemption to the holders of those bonds from normal income taxes by an amount equal to one-third; from 15 per cent to 10 per cent.

With regard to luxury taxes, I have not had an opportunity to examine the tentative conclusions of the Committee. I know that suggestions were invited by your Chairman, and furnished by the Treasury Department, and I wish to say that a war revenue act such as this must be, should be made with a broader point of view than that merely of producing revenue—from the point of view also of curtailing wasteful expenditure. From this point of view, such taxes as that proposed upon the employment of numerous domestic servants, are of great importance.

Turning to another matter which is of great interest and importance in connection with the sale of Liberty Bonds, I call your attention to the question of exemption carried by bonds of the United States issued before September 24, 1917, and bonds of states and local authorities, from United States graduated income surtaxes. I understand that the Committee proposes to make subject to such surtaxes, bonds of states and local authorities issued hereafter. This involves a very difficult and troublesome constitutional question. On the other hand, I understand that the Committee has not adopted a suggestion made by the Treasury Department to the effect that the exemption, whether in respect to bonds heretofore or hereafter issued, should be spread over all the brackets in the surtax and not, as now, in effect deducted from the highest bracket. I hope, very much, that it will be determined to adopt this suggestion of the Treasury Department, which would, I believe, be constitutional, would in a large measure reduce the disadvantages under which Liberty Bonds now are by comparison with wholly exempt bonds, would produce revenue, it is estimated, in amount from $12,000,000 to $20,000,000 directly, and indirectly close the door to a great reduction in revenue which I anticipate as a result of the increased income taxes now in contemplation, forcing large tax payers into exempt securities.

In that connection, in the consideration which you give to the question of increasing the rates of supertaxes, I call your attention to the importance of not increasing these rates to a point where they will be destructive rather than productive of revenue. Obviously a point may be reached where, by making the supertax rates too high in the higher brackets, persons subject to these topmost rates will find it to their advantage to dispose of their taxable securities in the market and invest the proceeds in exempt securities.

Government at the Wheel

WE are learning much, and shall learn much more in the future, from Great Britain's handling of her problems in economic and commercial readjustment since the beginning of the war.

A recent report shows vividly how far some of these processes have gone and indicates to some extent how British business reacted to the new conditions.

England today "controls" more than 5,000 industrial plants. This control does not affect the management—but only profit and labor. All profit of such companies in excess of 20 per cent beyond the average net earnings of the two financial years next before the war are to be paid to the Government Exchequer.

"The Government of Great Britain," says the report, "decides today what may be exported and what may be imported, how much beer shall be brewed, how much flour the miller shall extract from the wheat, what sweets shall be manufactured, how much sugar may be used in icing on cakes, how much the individual shall pay for potatoes. The Government decrees that it is an extravagance and a menace to the safety of the Empire for a customer to buy, or a storekeeper to sell, an ounce of chocolate that costs more than six cents, or any other sweetmeat that costs more than four cents an ounce. The candy manufacturers have been prohibited during 1917 from using for confectionary more than 50 per cent of the amount of sugar used by them during 1915. Not a commodity, not an industry but has come under the control of an omniscient Government. The manufacturer carries on his ordinary business. The Government has decided that it is an essential industry to the country. A man buys a new woolen garment. The Government has given permission for the wool to be sold for private consumption. He buys a notebook. The Government has granted a license for the importation of the paper. He buys a pocket cigar lighter. The Government has collected a tax of twelve cents on it. Many things he cannot buy at all.

"Owners of uncontrolled establishments are not much freer, but are permitted to retain 40 per cent of excess war profits, whereas owners of controlled establishments must hand over all but 20 per cent to the Government.

"Automobile manufacturers have suffered very little for the reason that although they are not allowed to manufacture pleasure cars, they have devoted their equipment very largely to the making of trucks, engines for aeroplanes and to other essential work.

"Because of control of industries through prohibition of employment of certain classes, restriction of use of raw materials, priority and other measures, business in Great Britain has found it necessary to intensify its selling as well as its manufacturing. Many concerns have found themselves within the scope of the government control prohibiting employment of males between the ages of 18 and 61. Since this restriction applied to selling as well as to manufacturing, some other means were necessary to maintain distribution. For this and other reasons advertising in many lines has been forced to take the place of personal selling."

The Hunger for Land

"THE whole world gropes for the proper method of getting land into the ownership of the people," said Senator Curtis of Kansas before Congress recently.

Land settlement problems are a particularly serious issue in the Western States. A proper solution cannot be found without due consideration being given to every phase of colonization, including land values, markets, transportation facilities, living conditions, climate, and many other important issues.

It is not sufficient simply to reclaim a few thousand acres of land by irrigation, drainage or stump removal. A reclaimed acre has no value but its productive value. For it to produce it must be used. The use of the acre implies man labor by owner or employe. If the man for the acre is not already there, most serious thought must be given to the problem of getting him there and his coming must be on such a basis that he can stay.

The Federal Government and the Western States have jointly and independently handled various projects, the ultimate success of many of them being very doubtful. Most of the Government land openings have been unsatisfactory because of the class of people attracted by the lure of getting something for nothing and the attending evils that go hand in hand with such a quest.

How 2 and 2 Make 5

SOMETHING of a sensation was created among the English and American residents in Argentina a few weeks ago by the removal from the British Statutory List of 15 local firms of German nationality or sympathies. The effect on the English ranged from mild surprise to outspoken indignation and hints of illicit influence in high quarters, meetings were held in protest and energetic representations were made to the authorities in London. The reason for the removal of these firms from the black list was, apparently, a mystery to everyone in Argentina but the Germans domiciled there. They attributed the action to a desire on the part of the British to curry favor with them in anticipation of a forthcoming victory of Germany over the Allies.

Floating a Navy Yard

WE have a number of "mother ships" in the British Navy, says the English weekly *Fairplay*, but they are not "converted" vessels. They were designed on their present lines, and they are comparatively small craft, intended for standing by submarines and other war vessels which cannot carry their own supplies. We have also several fairly big repair ships, which are really floating workshops, but the Pennsylvania seems to combine the two types in one vessel of great size. She is now known as the Prometheus, so that she can hardly be identified as the great battleship about which so much was written when she was laid down in May, 1913, and when she was launched in March, 1915. She is of 31,400 tons displacement, and, as a battleship, she was designed for a speed of 21 knots and for carrying twelve 14-inch guns. Now she is really a sort of floating dockyard, capable of all kinds of work, even to the rolling of armor plates. What this has represented in the way of transformation may be guessed by anyone who knows what a great modern battleship is, but what interests us especially is the light which it throws on the energy and determination which America is bringing into the war. America is all out to win, and will be more and more so the longer the war continues.

LAPIDOLITH
TRADE MARK
DO
You know that even the best concrete floor can be *improved?* Thousands of Architects, Engineers and Constructors know it and they
NOW
Specify Lapidolith for new concrete floors to make sure that they are dustproof and wearproof.
And they use it on old concrete floors which were originally laid before Lapidolith came into general use.
The action of the liquid chemical, Lapidolith, makes the superiority of concrete floors over wooden floors complete. Applied by unskilled labor at nominal expense.
Used for years in leading plants. We will refer you to those in your neighborhood.
Send for samples and full information.
L. SONNEBORN SONS, Inc.
264 PEARL STREET, NEW YORK
DEPT. 4 FOR ALL CONCRETE FLOORS

THE NATIONAL CITY COMPANY NATIONAL CITY BANK BUILDING NEW YORK
September Investments On Attractive Basis
WE are offering for September investment bonds and short-term notes of a breadth and variety to meet the requirements of all classes of investors.
The securities we offer have been investigated by our buying departments and we recommend them to the consideration of investors.
Securities at present prices afford a liberal yield.
Send for List H-87
The National City Company
National City Bank Building, New York
Correspondent Offices in 31 Cities
Bonds Short-Term Notes Acceptances

The B/L
Collection Bank of Chicago
UNION TRUST COMPANY
This bank is particularly well equipped to serve manufacturers, jobbers, wholesalers, and dealers located in States West of Pennsylvania to the Pacific Coast. We offer the facilities of a Chicago checking account with or without a line of credit. Our Collection Department is a special feature of this service. We make a specialty of handling Bill of Lading collection items. Correspondence invited.
Union Trust Company
CHICAGO
One of Chicago's old conservative banks doing strictly a commercial business. Established 1868

JOHNS-MANVILLE
Asbestos

UNIVERSAL STEEL CALENDER STOCK SHELLS STANDARD RUBBER MILL EQUIPMENT THROUGHOUT THE WORLD



OMAHA is the natural distributing point for the world's richest large agricultural district—centrally located, on the principal railroads and highways, with favorable freight rates and splendid office, storage and banking facilities—the "big city" for an inland empire of progressive, prosperous people.

Make Omaha's territory a zone in your selling scheme and open an office or a factory branch in this city. Your representative here should get immediate business and prepare your firm for the period of enormous development now opening.

Authentic Information

Authentic information on Omaha and this district (in detail along any line desired, as well as general) furnished on request. Exhaustive survey just completed. Write to

Bureau of Publicity—Room B
OMAHA CHAMBER OF COMMERCE
OMAHA

YOU WILL CONSERVE TIN

By using

NEW PROCESS SOLDER

which not alone costs less per pound but less per piece of perfect finished work.

NEW PROCESS SOLDER

is used by the largest and more particular consumers of Solder.

NEW PROCESS SOLDER

is manufactured solely by

Marks Lissberger & Son, Inc.

Long Island City **New York**

N. B.—We will gladly give you the benefit of our many decades of experience on White Metal Alloys you are interested in.

A Warrior City

IT has not been so long since Detroit heard the chug of the first automobile. She saw its possibilities—and grasped her opportunity.

The transformation of her old factories, and the construction of new ones, was so sudden and complete that soon she found herself the centre of the industry. And the automobile industry, while essentially one more or less for pleasure purposes, nevertheless grew to be, within a very short space of time, one of the largest industries of the world. Thus an immense new industry was created, so to speak, out of old material.

When this country entered the war, Detroit heard the call to arms. She again lifted her eyes—saw the danger of the menacing Hun—and, with stern face, set her hands to the work of delivery from the menace. This transformation this second time was just as sudden and complete as was her first one.

The call of the government was for trucks. Detroit is manufacturing them by the tens of thousands; the next call was for aeroplane motors; she is turning them out by the hundreds of thousands; ordnance was needed—she built a factory and is making it; shells—the new plant was in operation almost as soon as the need was announced; our own farmers and our allies' farmers needed tractors—already thousands are on the way. Ambulances, messenger cars, aeroplane parts, anything in metals or wood—Detroit heard the call, and heeded. Ships? Yes, a few. One plant alone is turning out one ship 750 feet long, with a beam of 100 feet, a day—three hundred sixty-five U-boat terriers a year—and in a plant built expressly for the purpose, where a year ago was an unclaimed swamp. The total of all these orders for 12 months is estimated at over $600,000,000—all war work.

To do all of these things, Detroit has had to transform whole factories, build new ones, reclaim marshes, dredge channels here, fill in for railway tracks there. She has even opened up new real estate sections, and built the houses on them to care for the new labor.

Naturally, the Board of Commerce has not been asleep during this transformation. It is a wonder that it has had time to sleep at all, for, when that body of energetic men had nothing else to do, it created things to do. Besides being the centre of the Liberty Loan drives, the Savings and Thrift stamps drives and Red Cross campaigns, it also purchased and delivered rifles to the local companies of the National Guard; it maintained classes in which the men subject to the draft could learn French; it established classes to train cooks for the United States Army; assigned clerks to assist in draft registration; furnished meals to the City Hall and waterworks guards; aided in rounding up over one thousand slackers from the draft; helped in securing bids for army and naval supplies; packed and forwarded "bounty baskets" for soldiers in camps, on trains and in the trenches; secured a thousand experienced applicants for the Quartermasters Officers' Reserve Corps; and secured temporary employment for hundreds of soldiers awaiting the call to colors and assignment to camps.

On Library Classifying

December 29, 1917.

MR. ROY CAMPBELL,
Ticonderoga Pulp and Paper Co.,
Montreal, Canada.

Dear Sir: Mr. Thorpe, of THE NATION'S BUSINESS, has handed me yours of December 15 on a classification of business books.

You ask if there is anything for business libraries similar to the Yale Classification of Forestry. I do not know of any such classification in the business field. I do know that in several special libraries of private corporations, there have been worked out special classifications for the books, journals, etc., in these libraries. Whether any of these are in print and available for general use, I am not sure. I shall inquire and let you know.

Meanwhile, however, let me say that I believe that a large corporation which is planning to construct a business library should look with suspicion on any special classification made for that library or for libraries akin to its own. The classification of printed material is a subject that has been studied by men of learning several hundred years, and many suggestions have been made on marks, numbers, letters, or signs (called the "Notation") to be placed on the books thus classified.

Out of these many attempts to lay down a scheme of classification with an accompanying notation, only one has received world-wide acceptance. That one is the Decimal Classification, with its relative index, as issued by Melvil Dewey in 1876, and issued in its 9th and greatly revised edition in 1915.

The substantial bound volume of some 800 pages in which are found this classification, and the relative index that goes with it and forms part of it, costs now $6.00.

I am of the opinion that when a business corporation feels that its library has become of sufficient size and importance to warrant the cost of classifying and cataloging and marking it, then, it should secure, for doing these things, a skilled library person. She should be told to use the Decimal System with its proper notation on the backs of the books and elsewhere and to extend such parts of the system as need expansion for the special collection in hand.

Let me add that it is quite common practice to give to libraries an elaborate system of classification before they are large enough to be well worth the labor cost.

"Non-Book" Things

IN the library of any business corporation are sure to be found many clippings, excerpts, pamphlets, circulars, etc. These "non-book," but often very important, things may, in most cases, be very well cared for in a vertical file; being then arranged in dictionary order in accordance with their subjects, with cross references. But, a vertical file scheme which is to grow to large proportions, should be laid out by a skilled person. Otherwise it will surely break down.

It costs from 10 to 50 cents in the ordinary library of moderate size, to classify, catalog, mark and make ready for use a book. Pamphlets, circulars, letters, etc., can be cared for and easily found in a vertical file at a very less cost per item.

There are other methods of filing pamphlets, which can be used to advantage in the business library if it runs largely to print in pamphlet form,—and almost always it does.

I have spoken thus here of the handling of notes, pamphlets, catalogs, clippings, etc., because they form a very large part of the best and most useful material in nearly all "business" libraries. If these are skillfully man-

aged, the books will, in many cases, take care of themselves.

The Right Decimal

THE books in any library, no matter how peculiar or how special it may seem to be to the person who builds it up or has it in charge, —the books which are to stand on the shelves in rows and to bear on their backs marks indicative at once of where they are to stand and of the nature of their contents,—these books may most wisely, in all cases, in my opinion, be classified in accordance with the decimal system. I am quite aware that not a few librarians of special libraries will disagree with me; but I have seen more than one librarian swamped in a classification scheme of his own creation. I have yet to hear of anybody who, having used the Dewey in accordance with the book's instructions, and having expanded it with a moderate degree of skill and judgment, has regretted the adoption thereof.

This is not a plea for a special book, but Mr. Dewey happens to be the man who is chiefly responsible for the existence of and whose name is always attached to, the most widely used of all systems of classification and notation. Hundreds of libraries in this country and many in Europe have adopted its general scheme. It has been studied and criticised and modified and enlarged and improved almost daily,—not by one but by many persons,—during a period of nearly 40 years.

Perhaps I have said enough. If, however, you wish a short and easy scheme for the classification of a few hundred books on business, I shall be glad to cause such a one to be prepared. I should append to such a scheme, however, a written guarantee that if you were to use it, and even if you were to use it through the services of a person skilled in library work, you would find, if your library grew to several thousand volumes, that the fact that you had made the mistake of using a makeshift classification scheme would clearly manifest itself.

Very truly yours,
JOHN COTTON DANA.

A Boiler Shop Tin Lizzie

NOW that the concrete ship seems to be making good, the next thing on the bills is the concrete boiler.

It will cost 90 per cent less—ninety per cent less than the all-steel article. No more tedious and costly rolling of the boiler shell from ingots. Merely two thin walls of steel—say three-fourths of an inch thick, with a three-inch layer of concrete between them. That's all, plus the usual insides.

Boilers? We'll be building them like Fords. You can have one in your home, if you like, right along side the piano, the phonograph and the ukelele.

And so on,—all of it based on the attempt now being made by the Union Iron Works of San Francisco to build a concrete boiler to match the color of the concrete ship.

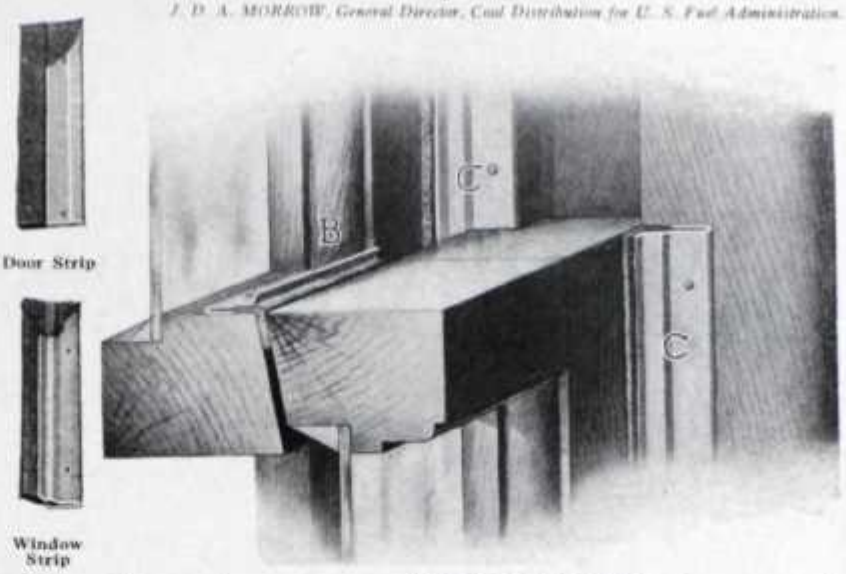
Impossible? Give 'em time.

As Others See Us

IT is not always disillusioning—sometimes it is a bit embarrassing—to see ourselves as others see us. There is an unpleasant reminder, for instance, of our past sins of bragging in this comment from an English writer: "Twenty million Americans are still knocking at the Treasury door calling for Liberty Bonds faster than they can be supplied. Americans know full well that they as a people —single-handed if need be—can beat the Central Powers to their knees and banish their shipping, if any still remains, from the international navigable waters of the world."

"We'll Not Have Enough Coal This Winter"

J. D. A. MORROW, General Director, Coal Distribution for U. S. Fuel Administration.



You will save the country and YOURSELF 20% of your requirement for coal by making your building snug and tight with

Protecto Weatherstrip

Metal-bound felt—Rust-proof steel or copper. Lays to surfaces with firm, resilient bearing, is easily applied, inexpensive and lasts many years. Cut 36" and 42" lengths. Shipping weight, window strip 3 pounds, door strip 6 pounds, per 100 feet.

PROTECTO MFG. CO., 5210 W. Kinzie St., CHICAGO

Chamber of Commerce

N.B.

WHEN you have read this issue of The NATION'S BUSINESS, won't you pass your copy on to a friend—one, who, like yourself, will be interested in reading the highly important messages from four of the Administration's biggest executives that it contains.

And will you drop the Circulation Division a line telling to whom you've *loaned* your copy? Such a service would be indeed greatly appreciated.

Circulation Division

The NATION'S BUSINESS
RIGGS BLDG. WASHINGTON, D. C.

Account for Every LABOR MINUTE

HERE is the one logical method of keeping an accurate account of when you received and when you sent out letters, orders, contracts, etc. It will avoid all disputes, as it records every minute of the day or night.

FOLLETT'S

New Model

Time Stamp



Absolutely automatic, requires no attention and is the only POSITIVELY ACCURATE register on the market.

Write for full information and for our latest catalogue

Follett Time Recording Co.
5 West Broadway, New York City
Manufacturers of Time Stamps & Time Recorders

LE PAGE'S CHINA CEMENT
STANDS HOT AND COLD WATER

A WAR MESSAGE

TO WHITE TRUCK OWNERS

THE use and demand for White Trucks in war service by both the United States and French armies has reached such proportions as to seriously affect deliveries of commercial units until production at the factory overtakes urgent military needs.

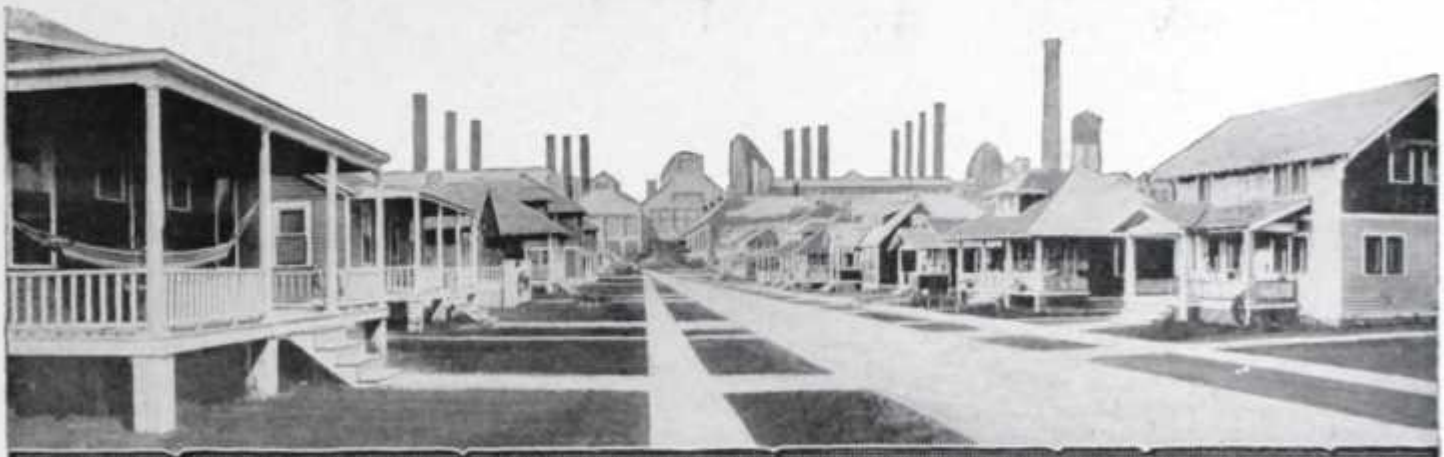
While this will delay the immediate filling of commercial orders, there will be no interruption in the making and distributing of parts, which will continue to be supplied as promptly and as abundantly as ever. White Service will efficiently provide for the many thousands of White Trucks operating in all parts of the country.

The company makes this public explanation for the assurance and protection of its innumerable customers and prospective customers, in the confident belief that they will recognize and approve a course of action which puts the national welfare first.

THE WHITE COMPANY

CLEVELAND

83 Housing Problems Solved Since March 1st.



The serious labor shortage and housing problems of 83 American corporations, employing thousands of workmen, were brought to the attention of the Aladdin Company since March 1, 1918. We have solved every one of these 83 problems. Thousands of workmen's homes were manufactured and erected since that time.

Quick Results

120 Men Can Erect 10 Aladdin 5-Room Houses Per Day

Aladdin Houses are Readi-Cut. Every piece of material, joists, studs, rafters, sheathing, siding, flooring, interior finish, is cut to proper size, marked and numbered and ready to nail in place.

OVER ONE THOUSAND ALADDIN HOUSES Carried in Stock

All lumber, shingles, lath, millwork, siding, flooring, interior finish, plaster, hardware, paints, nails, are carried constantly in stock, ready for instant shipment.

Service Plus

Immediate Action on Any City Project or Any Housing Problem

Our plans are drawn, prepared and finished for cities of from 300 to 3,000 population. Experienced town planners, landscape architects, engineers and builders have spent months of study and work in their production. This service becomes a part of every Aladdin Housing transaction—a single house or a complete city.

Hundreds of American Corporations Have Built ALADDIN Houses

As many as five hundred Aladdin houses have been sold to a single corporation. Re-orders are constantly received from corporations who have tested our houses by actual purchase and erection.

A Single House—or a Complete City

The Aladdin Company will quote you a definite price on a single house or complete cities of 300, 500, 600, 1,000, 1,500 and 2,000 population. These cities are now listed in our book on Industrial Houses. Cities include houses, stores, churches, schools, municipal buildings, water distributing system, electric light plants and distribution, sewerage systems, trees, etc.

Book of Aladdin Homes, No. 6, with full information, floor plans and prices will be mailed on request. Aladdin book "Industrial Housing" mailed only to inquiries written on business or official stationery.

Complete Cities



-or a Single House





ALADDIN HOUSES Built By The GOLDEN RULE

The Aladdin Co.

73 Aladdin Avenue, *Homebuilders to the Nation — Townbuilders to the Nation* Bay City, Mich.

Canadian Branch—The Canadian Aladdin Co., Ltd., C. P. R. Bldg., Toronto, Ont.

The Motor Truck Is Essential

THE continued manufacture of motor trucks, to be used in the transportation of materials for direct or indirect war work or to be used in work of national civilian importance, has been declared an essential.

While motor trucks are of great importance in relieving transportation problems, their manufacture cannot be out of proportion to other transportation necessities, such as railroads and steamships. A grave responsibility has been placed not only upon the manufacturer of motor trucks, but upon the present owners of such vehicles. We must all do our part to the limit of our ability. The situation is this:

FIRST, motor trucks are to be sold *only* for necessary work, either directly for war work or to facilitate the transportation of such essentials as food, fuel, etc., or for important construction work.

SECOND, motor truck owners must see to it that their trucks are operated so as to require the minimum of spare parts and repair work.

THIRD, no truck must be discarded if it can be rebuilt so as to operate efficiently.

FOURTH, every truck in use must be routed to carry as many tons a day as is economically possible. Empty runs must be cut to a minimum.

Owners of trucks and new purchasers should investigate the manufacturers' standing and service facilities which will make it possible for the owner to do his proper share in the responsibility of owning a motor truck.

As manufacturers of THE AUTOCAR MOTOR TRUCK, we are going to live up to our full responsibility and duty as recommended by the War Industries Board.

THE AUTOCAR COMPANY

Ardmore, Pa.

Established 1897

CAPITAL PUBLISHERS, INC., WASHINGTON, D. C.